

The PRESIDING OFFICER. Without objection, the articles presented by the Senator from Nevada will be printed as a Senate document.

RELIEF OF FARMERS IN FLOOD-STRICKEN AREAS

Mr. CLARK of Missouri. Mr. President, I shall ask unanimous consent for immediate consideration of a measure on the calendar, and if there is objection I shall certainly not undertake to press for its consideration. The bill is an emergency measure.

I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to consider Calendar No. 386, Senate bill 1286, to provide relief to farmers whose property was destroyed or damaged by flood in 1943. The bill was favorably reported, without amendment, from the Committee on Commerce, and, as I stated, is now on the calendar.

I make the request at this late hour, Mr. President, only because if the measure is to be acted on at all, if anything is to be accomplished by such relief legislation, it is necessary that it be done at the very earliest possible moment. It is necessary that the authorization measure be passed in order that if it is to be done at all, the item may be included in the appropriation bill now pending before the Senate Committee on Appropriations.

Mr. REED. Mr. President, I merely wish to add my request to that of the distinguished Senator from Missouri. I come from one of the States badly damaged by the floods of this year. The Senator's bill has been favorably reported from the Committee on Commerce, and I join with the Senator in the request for immediate consideration.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Is there objection to the unanimous-consent request made by the Senator from Missouri?

Mr. TAFT. I object.

The PRESIDING OFFICER. Objection is heard.

APPROPRIATIONS FOR THE LABOR DEPARTMENT AND FEDERAL SECURITY AGENCY

Mr. McCARRAN. Mr. President, I desire to say to the Senate that tomorrow at the hour of reconvening it is hoped that we may proceed to a conclusion of what is known as the N. Y. A. amendment by considering, discussing, and voting upon it.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, for the benefit of Senators I wish to make this observation. I have been asked by many Senators whether the Senate will be in session on Monday. The Fourth of July falls on Sunday, and on Monday throughout the Nation there will probably be observations of the Fourth of July. In view of the fact, however, that the War Production Board and all other Government agencies have urged all factories and plants producing essential materials to work on holidays, and in view of the legislative situation, I feel it my

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duty to advise the Senate that unless something transpires between now and the adjournment or recess tomorrow night, it is very likely that we will be compelled to hold a session on Monday.

Mr. McKELLAR. Mr. President, I hope we will, because four appropriation bills have not as yet been finally acted on, and we certainly ought to stay here until we act on those bills.

Mr. BARKLEY. I appreciate that fact. It is largely in view of that situation that I wanted to advise Senators so they may govern themselves accordingly.

Mr. WHITE. I simply wish to indicate my complete approval of the decision taken by the Senator from Kentucky. I think we should work on Monday.

Mr. BARKLEY. I thank the Senator.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALLGREN, from the Committee on Military Affairs:

Sundry officers for promotion and temporary appointment in the Army of the United States, under the provisions of law; and Several citizens for appointment under the War Manpower Commission.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc, and that the President may be immediately notified.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be notified immediately.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Saturday, July 3, 1943, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2 (legislative day of May 24), 1943:

POSTMASTERS

IOWA

Lillian R. Carson, Essex.
Catherine H. Wiggerman, Maurice.

LOUISIANA

Ernest T. Cutter, Robeline.

MISSISSIPPI

Hall W. Wilson, Natchez.

SOUTH DAKOTA

Fred Coates, Provo.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 2, 1943

The House met at 12 o'clock noon.

Rev. James D. Clark, O. S. A., of the faculty of St. Rita High School, Chicago, Ill., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

O God, mightier than all the forces of arms, crowning with victory the defense of those who trust in Thee, stretch forth Thy hand in mercy to us Thy servants. On this day set apart to honor the Sacred Heart of Jesus Christ, Thy Son, we are mindful that none has ever had recourse to Thee through the Sacred Heart of Thy Son in vain. Animated by this confidence, we fly to Thee for strength and consolation, groaning as we are beneath the cross of war.

Fortify all of us who fight, whether at home or abroad, for truth and justice and the freedoms which are the birthright of all human beings. In particular, keep in Thy loving, guiding care our President, all Members of this Congress, their beloved families, and all whom they represent. Comfort all who are separated from those they love by the cross of war. Ease the worry and the anxiety of fathers and mothers concerned with the well-being of their children. Give hope to broken hearts. Teach them who mourn the martyred heroes of this war that "we have not here a lasting city," but look for one to come where we shall be reunited to those whom we have loved and lost a while.

Protect our noble and brave men and women who bear the brunt of battle on land, on the sea, under the sea, and in the air. Bring them back nobler still than when they went forth to battle, because they have learned to serve and to sacrifice. Bring them back blessed with victory and peace through Jesus Christ our Lord. And may the blessing of Almighty God, the Father, the Son, and the Holy Spirit descend upon us and these United States and remain forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1252. An act to amend the act of August 11, 1939 (53 Stat. 1418), as amended by the act of October 14, 1940 (54 Stat. 1119), relating to water conservation and utilization projects.

WEALTH OF THE UNITED STATES

Mr. DIES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, tucked away in an inconspicuous place in the morning papers is the most important news item that has appeared in many years. It brought instant and complete relief to those of us who have been seriously concerned about the vast expenditures of our Government and the accumulation of the most colossal debt in the history of our country. But, Mr. Speaker, the momentous announcement of that great financier, genius, statesman, humanitarian, liberal, reformer, and chicken raiser, Harold Ickes, has shown us how baseless are our fears and how niggardly Congress has been in restricting appropriations to a few hundred billions of dollars. Versatile Ickes has solved the riddle of how much this country is worth. In this morning's newspaper the Secretary advises us that the wealth of the United States is \$12,023,000,000,000, which is the equivalent of \$89,000 for each man, woman, and child in the United States. I am not only happy for the Nation and for my financially distressed colleagues in the House, but it is only human that I feel a sense of personal relief to know that I, my wife, and three children are now worth \$445,000. My only complaint of the Secretary is that he has withheld from a troubled Congress and Nation this all-important information. Mr. Speaker, I congratulate the Nation that in this dark and troubled hour there should appear upon the horizon a stupendous intellect and a \$12,000,000,000,000 heart to bring hope, consolation, and encouragement to suffering humanity. I now suggest, Mr. Speaker, that Vice President WALLACE revise his plan so as to provide everyone in the world with 12 gallons of milk each day.

SUSPENSION OF RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to recognize Members to move to suspend the rules at any time between now and the time that the House takes its recess.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

(Mr. STARNES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. McCORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include an article from the Baltimore Sun relative to the cattle situation in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a recent address given by the Governor of Ohio, Hon. John W. Bricker.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GRIFFITHS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCGREGOR. Mr. Speaker, I have two unanimous-consent requests. First that I may extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

OPERATIONS OF THE O. P. A.

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MCGREGOR. Mr. Speaker, some of us the other day voted to put in charge of the policy-making departments of O. P. A. men who have had practical experience and knowledge of the particular department in which they exercise control. In further substantiation of our vote and that we need practical men in these departments, may I read to you an article that appeared in my local paper entitled "Bushels of Spuds Found on Dump; O. P. A. Is Puzzled":

BUSHEL OF SPUDS FOUND ON DUMP; OFFICE OF PRICE ADMINISTRATION IS PUZZLED

COLUMBUS, OHIO, June 30.—New potatoes, piled knee deep over an area 12 feet square, were found on a dump in the western section of Columbus today.

James Huffman, chief counsel here for the Office of Price Administration, said he was "very puzzled" and assigned investigators to the case.

The potatoes arrived at the dump either last night or early today, Huffman said, but where they came from or why they were discarded was more than he could figure out.

"Maybe some wholesaler told his help to clean out the basement and he was taken too literally," Huffman said. "Darned if I know."

Word of the windfall spread through the area and the potatoes vanished swiftly.

TWO REMARKABLE FAMILIES

Mr. KELLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY. Mr. Speaker, in my district, which is Westmoreland County,

Pa., there are two remarkable families, one in New Kensington and the other in Monessen.

In New Kensington, the aluminum city, there is the Semanski family that has eight sons in the service at this moment. There are six in the Army, one in the Coast Guard, and one in the Navy; three of those in the Army are serving overseas.

In the city of Monessen, Pa., a steel city, there is the Hubans family, that also has eight sons in the service; five in the Army, one in the Coast Guard, and two in the Navy; three of those in the Army are serving overseas.

I wish to pay my tribute to these families and to wish one thing for the father, mother, and brothers and sisters, that they may return safely soon.

JAMES B. M. McNALLY

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Speaker, the other day the President appointed and the Senate ratified for United States district attorney for the southern district of New York, Mr. James B. M. McNally. I feel that the President is to be complimented upon that appointment, because Mr. McNally is one of the outstanding members of the New York bar and was endorsed by all the bar associations for the office. He has been practicing in New York for the past 20 years. He is one of the greatest trial lawyers we have at the New York bar, and I am certain that his tenure of office as district attorney for the southern district of New York will be marked with that same character and that force and efficiency which he has demonstrated in his private practice.

A graduate of Fordham University Law School, he later became a professor of law at St. Johns University in Brooklyn. As a private practitioner he won the respect of bench and bar. He leaves a lucrative private practice to enter public service.

I had the pleasure of serving with him as a delegate to the constitutional convention of New York State in 1938, where he distinguished himself.

I have no doubt that he will equal and indeed surpass the records of his predecessors in office.

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein an editorial that appeared in the Lawrence Evening Tribune.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of two resolutions.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARSON of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include a radio address.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEWART. Mr. Speaker, I have two requests: First, I ask unanimous consent to extend my remarks in the Appendix and include therein a speech delivered by Mr. Julius H. Altman, president of Chapter No. 5, American War Dads, at a meeting in Enid, Okla., and to include an editorial from the Enid Daily Eagle. My second request is to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GEN. PATRICK HURLEY

Mr. STEWART. Mr. Speaker, I hail from Oklahoma. Oklahoma is one of the Western States which once had a member of the Cabinet. That member of the Cabinet of yesteryear is one of today's outstanding warriors. He was born near my district in the then Indian Territory. He was Secretary of War under President Hoover's administration, Hon. Patrick Hurley, of Oklahoma.

When this global war started he laid aside his political toga and reached for his sword and has been making battle trying to win this war. We Oklahomans are really proud of him. Mr. Speaker, this distinguished gentleman was recently the guest of the Oklahoma delegation, after having traveled many, many thousands of miles encircling the globe through enemy-infested territory.

Mr. Speaker, Gen. Pat Hurley is typical of the child brought into this world without means; his parents died at an early age, leaving him with nothing but an ambition and a determination which has paid big dividends many, many a time. Mr. Hurley practiced law in Oklahoma; at one time, attorney for the Choctaw Tribe of Indians; made his way in the oil industry, all before his coming to Washington; he has been prominent in politics, but he shelved all partisanism during this global conflict and again answered the call of his country. He stands for America first.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

SCARCITY OF MEAT

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my own remarks and to include a letter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. HOPE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article therein from the New York Times

of this morning entitled "Roosevelt Maintains His Lead in the South."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE FULBRIGHT RESOLUTION

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I wish to inform the House of a communication I received from the United Nations Committee of Maryland which reads as follows:

UNITED NATIONS COMMITTEE
OF MARYLAND, INC.,
Baltimore, Md., July 1, 1943.

HON. THOMAS D'ALESSANDRO,
House Office Building,
Washington, D. C.

DEAR MR. D'ALESSANDRO: In the light of the sentiment in favor of the Fulbright Resolution, is it not possible to have the House take affirmative action before adjournment? In the name of the Maryland Committee of the United Nations Association and its distinguished sponsorship, we earnestly urge that you take whatever steps are feasible to this end.

With kind personal greetings,

Cordially yours,

MORRIS S. LAZARON,
Executive Vice Chairman.

RACE RIOTS

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KLEIN. Mr. Speaker, I have today introduced a resolution for the appointment of a select committee of this House to investigate the recent race riots in Detroit and Los Angeles, and to find out the causes behind those riots. In my opinion they were not entirely spontaneous; they were created by certain groups that are interested in stirring up dissension in this country. I think that in Detroit it was the remnants of the Ku Klux Klan, the Gerald Smith followers, and other subversive forces that were responsible for the riots. It is vitally important, in my opinion, that we go into this question thoroughly, so that we can uncover the instigators, and thus prevent a recurrence in other cities.

I hope that when the resolution comes before the House it will be adopted.

The SPEAKER. The time of the gentleman has expired.

SHORTAGE OF BUTTER

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. McKENZIE]?

There was no objection.

Mr. McKENZIE. Mr. Speaker, since the first settler came to this country and brought with him several cows, it has been the custom of the rural housewife to take her surplus butter—the few

pounds it may amount to each week—and use it down at the community store or with her neighbors as a medium of exchange. In fact, along with eggs and chickens, in some sections of this country, it has almost become legal tender.

Now, I am informed by the O. P. A. that the rural housewife can no longer sell her butter; she can no longer take her butter down to the local store and barter it for that little piece of gingham which she may need without getting from them the O. P. A. stamps or points. I say to you, Mr. Speaker, this action on the part of the O. P. A. is tending to curtail the production of butter in this country. I say to you that in my own district there are hundreds of thousands of pounds of butter that will not be produced and put into the channels of trade for local consumption if this order is carried out. This community trading in so-called country butter does not in any way interfere with the regulation of commercial or creamery butter or butter substitutes, but, to the contrary, is a boon to the country or local consumer and producer alike. If encouraged, it will greatly reduce the butter shortage in this country, while if, on the other hand, this local trading is curtailed or stopped, we can expect a butter famine. Mr. Speaker, when is O. P. A. going to learn the hard practical facts of life?

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, I have two requests, one to extend my own remarks in the RECORD and to include a radio speech I made last night and the other to extend my remarks and to include a brief editorial from the New York World, New York City.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DICKSTEIN]?

There was no objection.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. PRICE]?

There was no objection.

RESPONSIBILITY GOES WITH POWER

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, responsibility must go with power. As a result of events in recent days, the press has been saying that the Congress is taking over control and direction of the domestic front at the present time. If that be true, our responsibility cannot be fully discharged by simply turning down proposals of the Executive. I am not going to argue the question as to whether the Congress can or cannot write a better program on the domestic

problems of the country than has been so far proposed, but I do say we have to write one if we take the responsibility of turning down the one proposed by the President.

The SPEAKER. The time of the gentleman has expired.

EXTENSION OF REMARKS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a statement recently appearing in the Boston Post by Hon. Joseph B. Ely, former distinguished Governor of Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. PHILBIN]?

There was no objection.

REPEAL OF VEHICLE USE TAX ON AUTOMOBILES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. PHILBIN]?

There was no objection.

Mr. PHILBIN. Mr. Speaker, to impose a motor vehicle use tax upon automobile owners of this Nation, who, under existing O. P. A. regulations, are not able to use their cars, is a gross miscarriage of justice, which in my opinion Congress never intended to permit when it enacted this particular tax.

For that reason, I am proposing an amendment to the Internal Revenue Code which will provide for a rebate on motor vehicle stamp taxes in all cases where the use of motor vehicles has been curtailed 50 percent from normal use as a result of regulations of the O. P. A. Proposals have been made heretofore to suspend the operation of this indefensible tax, but no action has been taken and no remedial measures adopted. Therefore, in order to deal justly with millions of American car owners, I am asking Congress to authorize rebate of this unjustifiable tax, and urge early consideration of the measure.

PERMISSION TO ADDRESS THE HOUSE

Mr. COFFEE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. COFFEE]?

There was no objection.

[Mr. COFFEE addressed the House. His remarks appear in the Appendix.]

THE CONGRESS SHOULD ASSUME ITS RESPONSIBILITY

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, let me say to the gentleman from California [Mr. VOORHIS] that almost everyone recognizes the fact that responsibility

goes with power. And now is the time for the Congress to assume its responsibility. I for one have no desire to shirk that responsibility and I would like to have the opportunity to vote for an act which would make unlawful every policy-making order, directive, or regulation issued by the departments. Let the departments administer the law and quit making regulations which the present Supreme Court holds have the force of law.

We have heard this morning and yesterday about the shortage of beef, about the seizure of beef; we have heard about the shortage of butter and the rules and regulations which prevent the manufacture of butter. We know something also about the shortage of corn which is needed for poultry and dairy feed throughout the country. If there is anyone in this country who reads the papers who is aware of the result of some of the O. P. A. and W. P. B. orders who does not think he can write a policy which would be less harmful than the ones we have I would like to know where he lives. Why not write the policy ourselves? That is our duty. And while we are determining policy why not acknowledge that the laws of nature are still in existence, that the law of supply and demand still acts, that neither we nor the bureaucrats have control over rain or sunshine?

More than 2 years ago, in November of 1940, a bill was introduced by me which would have done much to stabilize prices and prevent inflation. Some day the principles of that bill will be put into law. Why not consider it now?

SMITH-CONNALLY BILL

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY. Mr. Speaker, now that a week has passed and some heads that were rather warm have cooled off, I should like the Record to show that I regret exceedingly that the hysteria of some of the Members of this House last week, 1 week ago today, prevented my being here at the moment to vote against the majority. Had I been here I would have taken great pleasure in voting against the majority, to sustain the President's veto.

OUR PUBLIC POWER PROGRAM

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it was certainly amusing to hear the gentleman from Pennsylvania [Mr. MURPHY], who was not here to vote on the proposition, talk about the rest of us having hysteria in forcing the passage of the antistrike bill over the veto. We at least had our hysteria at the right place, here in the

House, the place to which we were all elected and for which we are being paid.

We rendered a great service to the American people in the passage of that salutary measure—and there was really no hysteria manifested.

Mr. Speaker, on yesterday, while the House was crippling our public power program, we were advised by the local papers that the Government of the United States is being overcharged at least \$150,000 a year for electricity in the War Department's Pentagon Building.

This is exactly what we were trying to prevent in California yesterday. It is what the power monopoly is driving at.

It is what the Power Trust is driving at in Oregon and in Washington, that is, to cripple this public power program in order to plunder the people with exorbitant overcharges, as they are doing in many States now.

In my speech day before yesterday, which you will find on page 6844 of the Record of that day, I inserted the figures showing that the American people were overcharged more than a billion dollars for their electricity in 1942; and I broke those overcharges down by States.

For instance the people of Tennessee used 4,833,000,000 kilowatt-hours of electricity last year and paid \$40,183,000 for it.

The people of Massachusetts used 4,322,000,000 kilowatt-hours and paid \$113,448,000 for it.

The people of Texas used 4,716,000,000 kilowatt-hours and paid \$95,196,000 for it.

Yet here we have Members refusing to develop the water power of this Nation, refusing to back up our public power program that is sound and that would protect the American people against such overcharges.

I wish I had time to make the comparisons for every State in the Union. But I refer you to the tables I inserted on June 30. They speak for themselves. If the people who pay these overcharges knew the facts there would be such a ground swell of protest that Congress would not dare permit these injustices to continue. The people of every State should have their rates reduced to the T. V. A. rates as reflected in the figures for the State of Tennessee.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. KENNEDY] be permitted to extend his own remarks in the Record and include therein an address delivered by him.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INFLATION

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, the spiral of inflation is the most prominent subject before the American people today. The cost of the World War was \$32,000,000,000, of which \$13,500,000,000 was inflation. The same rate in this war would have an inflationary value as of this date of \$28,000,000,000. By the end of this year, 1943, at the same rate as the World War, the inflation bill to the American public would be \$70,000,000,000. This is a matter that should have the attention of this Congress. The people cannot stand these prices. Some peg must be placed to stop inflation. The President has suggested a program with which I have attempted to cooperate. If Congress does not approve the President's plan, at least it should suggest one of its own.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein a radio address delivered by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] last evening.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on Thursday, July 1, 1943, the President approved and signed bills of the House of the following titles:

On July 1, 1943:

H. R. 332. An act to revise the Alaska game law.

H. R. 2397. An act making appropriations for the Departments of State, Justice, and Commerce, for the fiscal year ending June 30, 1944, and for other purposes;

H. R. 2513. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1944, and for other purposes; and

H. R. 2996. An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1944, and for other purposes.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1944

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes, for the purpose of considering the two Senate amendments still in disagreement en bloc.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Amendment No. 98: On page 76, line 17, strike out "\$3,500,000" and insert "\$7,818,748."

Amendment No. 99: On page 76, line 21, strike out the following: "Provided, That no

part of this appropriation shall be used for or in connection with the insurance of wheat and cotton crops planted subsequent to July 31, 1943, or for any other purpose except in connection with the liquidation of insurance contracts on the wheat and cotton crops planted prior to July 31, 1943."

Mr. TARVER. Mr. Speaker, I move that the House adhere to its disagreement to Senate amendments numbered 98 and 99.

The Clerk read as follows:

Mr. TARVER moves that the House adhere to its disagreement to the amendments of the Senate numbered 98 and 99.

Mr. TARVER. Mr. Speaker, I yield to the gentleman from Georgia [Mr. PACE] only for the purpose of offering a motion.

Mr. PACE. Mr. Speaker, I offer a motion which is at the Clerk's desk.

The Clerk read as follows:

Mr. PACE moves that the House recede and concur in the amendment of the Senate with an amendment as follows: Strike out the language passed by the House, (lines 13 to 24 on page 76 and lines 1 and 2 on page 77) and insert the following in lieu thereof:

"FEDERAL CROP INSURANCE ACT

"Administrative and operating expenses: For operating and administrative expenses under the Federal Crop Insurance Act, approved February 16, 1938, as amended (7 U. S. C. 1501-1518; 55 Stat. 255-256) \$3,500,000, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, purchase of law-books, books of reference, periodicals, and newspapers, together with the unobligated balance of the appropriation for this purpose for the fiscal year 1943."

Mr. TARVER. Mr. Speaker, I make the point of order against the language of the motion offered by the gentleman from Georgia that it is not relevant to the subject matter. The motion is offered in part in lieu of language which has not been stricken from the bill and in regard to which the two Houses are not in disagreement.

The SPEAKER. Does the gentleman from Georgia [Mr. PACE] desire to be heard upon the point of order?

Mr. PACE. Mr. Speaker, I think that technically the point of order is good. I ask unanimous consent to have the opportunity to restate the amendment. It will be observed by the Chair that while it does strike out the House language, it immediately reinserts it word for word. It is not in substance a striking out of a single word in the House language, except that it inserts an amendment word for word that incorporates the House language with the suggested changes.

The SPEAKER. That does not cure the situation. As the matter stands, the gentleman has offered a motion to strike out certain language that the two Houses have agreed to. The Chair sustains the point of order made by the gentleman from Georgia [Mr. TARVER].

Mr. PACE. Mr. Speaker, I offer the following motion that the House recede and concur with an amendment as follows: Strike out "\$7,818,748", and insert "\$3,500,000", and in lieu of the matter stricken by Senate amendment numbered 99 beginning with the word "Provided" in line 21, page 76, and ending with the figures "1943" on page 77, and

insert "together with the unobligated balance of the appropriation for this purpose for the fiscal year 1943."

The SPEAKER. The Clerk will report the motion of the gentleman from Georgia [Mr. PACE].

The Clerk read as follows:

Mr. PACE moves that the House recede and concur with an amendment as follows: Strike out "\$7,818,748" and insert "\$3,500,000" and in lieu of the matter stricken insert "together with the unobligated balance of the appropriation for this purpose for the fiscal year 1943."

Mr. TARVER. Mr. Speaker, I make the point of order against the motion of the gentleman now submitted on amendment numbered 98 and point out that the objective of the motion of the gentleman would be accomplished by insisting on the House disagreement to the Senate amendment, because he proposes to strike out the amount in the Senate amendment and immediately reinsert the figures stated in the House bill. As far as his amendment to Senate amendment numbered 99 is concerned, he proposes to reappropriate an unexpended balance which is a separate matter, with which that amendment does not deal. It is not relevant to amendment numbered 99, which strikes out the proviso providing for the liquidation of the Federal Crop Insurance Corporation.

The SPEAKER. The Chair would hold that the first part of the gentleman's motion would be in order, but he is compelled to hold that the second part is not germane. Does the gentleman desire to offer another amendment?

Mr. PACE. Mr. Speaker, I offer the following, that the House recede and concur in Senate amendment with an amendment as follows—

The SPEAKER. Which Senate amendment?

Mr. PACE. Mr. Speaker, would it be in order, the two amendments being considered together, to move to insist on one and recede on the other, inasmuch as they are being considered together?

The SPEAKER. Does the gentleman desire to concur—

Mr. PACE. In the \$3,500,000.

The SPEAKER. To recede and concur in Senate amendment numbered 98?

Mr. PACE. No; I desire to insist on the House position on amendment numbered 98, on the \$3,500,000, and concur in the Senate amendment numbered 99. The motion would be to insist on the House position on amendment numbered 98, and recede and concur on the Senate amendment numbered 99.

The SPEAKER. The Clerk will report the motion of the gentleman from Georgia.

The Clerk read as follows:

Motion offered by Mr. PACE of Georgia: Mr. PACE moves that the House insist on its disagreement to Senate amendment No. 98, and recede and concur in Senate amendment No. 99.

Mr. TARVER. Mr. Speaker, the subject matter of the amendments has been debated in the House on several different occasions. The House has had 3 votes upon it, 2 roll calls, and 1 standing vote on the subject matter involved. On the

last roll call the vote was 233 to 135 to sustain the House position. I do not believe that the House desires that the entire subject matter be discussed here again by men who have heretofore made speeches upon it and I now move the previous question.

Mr. PACE. Mr. Speaker, will the gentleman yield before he moves the previous question?

The SPEAKER. The question is on the motion of the gentleman from Georgia to order the previous question.

The question was taken; and on a division (demanded by Mr. PACE) there were—ayes 113, noes 16.

So the previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Georgia [Mr. PACE].

The question was taken, and the motion was rejected.

The SPEAKER. The question now is on the motion of the gentleman from Georgia [Mr. TARVER].

The question was taken, and the motion was agreed to.

CALL OF THE HOUSE

Mr. KELLEY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 126]

Barden	Harness, Ind.	O'Leary
Barry	Hays	Phillips
Bradley, Mich.	Hébert	Plumley
Buckley	Hollifield	Pracht
Cannon, Fla.	Izac	Price
Cannon, Mo.	Johnson, Ward	Robison, Ky.
Capozzoli	Kennedy	Rowe
Cochran	Kilburn	Russell
Culkin	King	Shafer
Domengeaux	Lea	Sheridan
Drewry	Lesinski	Simpson, Ill.
Fay	McKenzie	Stevenson
Fitzpatrick	Maloney	Tolan
Ford	Mansfield, Tex.	Treadway
Fulmer	Mason	Van Zandt
Furlong	Merritt	Vinson, Ga.
Gallagher	Morrison, La.	Wasielowski
Gifford	Morrison, N. C.	West
Green	Norton	
Hall	O'Brien, Ill.	
Edwin Arthur O'Hara		

The SPEAKER. Three hundred and seventy-two Members have answered to their names. A quorum is present.

By unanimous consent further proceedings under the call were dispensed with.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1943

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that amendments numbered 111 to 119, inclusive, may be considered en bloc and that the House further insist upon its disagreement.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. CARTER. Mr. Speaker, reserving the right to object, and I shall not object, there are so many of these items

that we want to dispose of as many of them en bloc as possible. I do want to suggest to the gentleman from Oklahoma, however, that there are two or three Members on this side who would like to be heard briefly on some of these projects.

Mr. JOHNSON of Oklahoma. I assure the gentleman from California that those Members who wish to be heard will have an opportunity to be heard.

Mr. CARTER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amendment No. 111: Page 72, line 15, insert "Colorado-Big Thompson project, Colorado, \$3,600,000."

Amendment No. 112: Page 72, line 17, insert "Boise project, Idaho, Anderson Ranch, \$4,100,000."

Amendment No. 113: Page 72, line 18, insert "Lugert-Altus project, Oklahoma, \$1,935,000: *Provided*, That of the total construction cost of all features of the project not to exceed \$3,080,000 shall be reimbursable under the provisions of the Reclamation Act of June 17, 1902."

Amendment No. 114: Page 72, line 22, insert "Tucumcari project, New Mexico, \$1,200,000."

Amendment No. 115: Page 72, line 23, insert "Yakima project, Washington, Roza division, \$1,415,000."

Amendment No. 117: Page 73, line 11, strike out "\$250,000" and insert "\$275,000."

Amendment No. 118: Page 73, line 12, strike out "\$350,000" and insert "\$400,000."

Amendment No. 119: Page 73, line 13, strike out "\$12,100,000" and insert "\$43,200,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendments Nos. 111 to 119, inclusive.

I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, when I appeared before the Subcommittee on the Appropriation for the Interior Department, the gentleman from Oklahoma expressed complete approval of our project—the Colorado-Big Thompson. This is not a new project and does not bring into cultivation any new land, nor is it a development at the expense of the Federal Government. This is a conservancy district that is bonded for the entire amount necessary to complete the project, and the Federal Government is only making a loan to the district for the completion of the project and will be reimbursed for the entire cost.

In appearing before the subcommittee, I stated that more than 300,000 acres of cultivated land would be affected by this modified program now being considered in this appropriation act. One hundred thousand acre-feet of water, all for supplemental use, can be transferred from the western side of the Rocky Mountains to the eastern side when the tunnel is finished and a dam constructed on the Colorado River. This farm land is in a high state of cultivation and produces critical war crops necessary for the prosecution of the war. Our farmers have the machinery and they are experienced and ready to meet the program as outlined by the Department of Agriculture for the production of the very crops

which today are so vitally needed in the prosecution of this war.

When the Assistant Secretary of Agriculture, Grover B. Hill, appeared before this subcommittee, he said:

Regardless of how much food we will produce it will not be enough. Even though we could produce twice as much food as we will be able to produce, we could use it all.

While the War Production Board has placed a stop order on the use of critical material for the continuation of this project, we now find that they are reconsidering the matter and that the War Food Administrator has given his approval that this irrigation project be allowed enough steel and other critical materials to finish the temporary or modified plan.

The President, himself, in a letter to Governor Vivian, of Colorado, said:

Thank you for the information which you provided in your letter of May 12 concerning the Colorado-Big Thompson project in your State. I am informed that the application for permission to resume work on the modified plan mentioned in your letter is now before the War Production Board. The War Food Administrator has recommended the resumption of work, and I hope that the Board will soon find it possible to revoke the stop order. The Acting Commissioner of the Bureau of Reclamation has been requested to advise you immediately upon receipt of work that the War Production Board has acted.

Only this morning I received a copy of a letter from the Director of the Steel Division of the War Production Board in which he states, and I quote:

The grade of steel from which reinforcing bars are rolled is not considered critical at this time, and with the essentiality established, the tonnage you require should be readily available from (1) current stocks, (2) producers of rail-steel bars, or (3) producers of billet steel using top cuts, discard, etc.

The facilities of producers and fabricators are not now being fully employed, due primarily to the gradual completion of the war construction program. We can foresee no appreciable change in this situation for the duration.

From this it can readily be understood why we are insisting that our subcommittee approve the appropriation for \$3,600,000 for the Colorado-Big-Thompson project and I trust the House will support this Senate amendment.

So steel for our western projects is available and there is no excuse for not beginning work on these projects.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. GRANGER. Do I understand the gentleman to say the President is for this project?

Mr. HILL. Absolutely. He is for the finishing of all 17 projects in the West that are necessary for the production of food for the war effort.

Mr. GRANGER. And the War Food Administration is for it?

Mr. HILL. The War Food Administration.

Mr. GRANGER. And Donald Nelson, Chairman of the War Production Board?

Mr. HILL. Absolutely.

Mr. GRANGER. And the Senate of the United States?

Mr. HILL. And the Senate of the United States.

Mr. GRANGER. Well, what is holding it up?

Mr. HILL. I think that this House will act favorably on these amendments.

Mr. JENSEN. Will the gentleman yield?

Mr. HILL. I yield.

Mr. JENSEN. The House is not holding it up, I want the gentleman to know, because we have favored those projects which have a Budget estimate, and yours is one of them.

Mr. HILL. That is right. I understand the House favors these reclamation projects that have Budget estimates.

Mr. JENSEN. That is true.

The SPEAKER. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. HOLMES].

Mr. HOLMES of Washington. Mr. Speaker, history reveals that protein was one of the important factors contributing to the failure of Germany to successfully prosecute World War No. 1. The supply of protein foods in this country now during World War No. 2, both for animal and human consumption, is one of our most acute and serious problems. Are we going to face a food problem in this country that will give us a food supply of not enough too soon? The Senate has shown wisdom in endeavoring to set aside moneys to be expended for developing a sane and safe food program for this country. We are going to have to increase production in order to face this emergency. We have the word last night of Elmer Davis, who said we are going to have to increase our production from 350,000,000 to 385,000,000 acres of food-producing lands this year. There are two ways to bring about that expansion. The first is to till and plow the arid regions of the Rocky Mountain Plains area and throw that section of country back into a second Dust Bowl, or there is the program of bringing water upon productive lands that will in turn produce those commodities of high protein value that are so badly needed in this war effort and at the same time increase the badly needed acreage.

Secondly, nor is it going to be sufficient to produce food only for the war emergency. There is going to be a terrific demand for food for at least 2 years post-war and that program is being talked of today very seriously by individuals who are interested in keeping this program from coming to the place of not enough too soon.

The Senate of the United States is right in placing \$1,415,000 for the appropriation for the completion of the Yakima project, Washington, Roza division. This project itself has one very unique characteristic attached to it; it is going to throw new lands into production that are capable of producing the vital proteins necessary; and secondly, it will bring into production land that will accommodate approximately 1,000 families recently dislocated by the purchase by the Army of 10,500 irrigated

acres of land. This acreage has been put out of production for the erection of an ordnance plant. The completion of this project would bring these families dislocated by such action back into producing foodstuffs.

I urge your serious consideration in placing before you the necessity of the completion of this project substantiated by the Bureau of Reclamation and the Agriculture Department, which said it could be done in 1 year, and that is why it has been recommended.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. HOLMES of Washington. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to compliment the gentleman for the fine presentation he made before the subcommittee of the Appropriations Committee on the Interior.

Mr. HOLMES of Washington. I thank the gentleman.

Mr. JENSEN. As he will remember, we had no Budget estimate when this bill was under consideration by the committee for that item.

Mr. HOLMES of Washington. That is correct.

Mr. JENSEN. We listened to the gentleman from Washington with a great deal of interest and he has a fine project. Since that time the Budget has, through the gentleman's efforts, given us an estimate on this project of \$865,000.

Mr. HOLMES of Washington. Yes; that is right.

Mr. JENSEN. Which the House agreed to. So, I think the gentleman probably is just a little out of order when he gives the Senate the whole credit. Certainly the gentleman is deserving of a little credit himself.

Mr. HOLMES of Washington. I thank the gentleman. But the Senate made the recommendation and in the face of the fact that it could be completed in 1 year. In other words, the Budget Bureau estimate was based on a 2-year program rather than 1 year as recommended by the Bureau of Reclamation. That is why the appropriation should remain \$1,415,000 as recommended by the Senate. I urge the House to recognize that important fact.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield to the gentleman from Idaho [Mr. WHITE] 5 minutes.

Mr. WHITE. Mr. Speaker, since the budget was prepared by the Department of the Interior with the provisions for the appropriation items carried in this bill and since it was passed, on the basis of the Budget estimate when it came to the House, a new emergency has arisen in this country—a food emergency, and it is getting worse every minute.

We are coasting along now with the things from the gardens and we will probably get by this fall with the harvest coming along, and we may do pretty well through Christmas, but I want to tell the House that when next January, February, and March roll around, the people of the United States are not going to be eating. The gentleman from New York [Mr. CELLER], who got up on the floor of

the House yesterday and said that the cattle of the West should be seized and brought to New York to feed his hungry constituents, is not going to be the only one you will hear from on this floor before we settle this food emergency.

The Senate, in its wisdom, in taking up this bill, has put in a few items to prepare land and to bring water on land, so that it can produce food as well as increase production on the lands already under irrigation.

We have one item in this bill for the Boise project, Idaho, Anderson Ranch, to resume work that has been shut down. I know about the Anderson Ranch and I know about the situation in Idaho. I know that this project deals with one of the finest of the various irrigation sections of the country. I know it deals with a section of the country where President Roosevelt, during his tour through the West, stopped and put in a whole day and saw the immense amount of food and dairy products that are being produced from this land.

I know that the land in this district is short of water. I know that they cannot produce dairy products in the fall when the pastures dry up. I know there is not enough moisture to put the sugar in the sugar beets in the fall, and they must have more water if we are going to have more cream and butter, sugar, and beef.

Mr. Speaker, that is what we are dealing with here. I want to say to the conferees who are insisting that these reclamation items be sent back to the Senate that they should join hands with the Senate in its efforts to bring back these small appropriation items that we must have in order to produce the food so the people of this country may eat. That is the question involved here in these reclamation items. There can be no doubt, as far as production in the West is concerned, that we need these reclamation districts in order to feed the people of the United States, to maintain the men in the Army and the Navy, and supply our allies. This country has been and is being stripped bare; we have sent so much food out of the country that when next spring rolls around we are not going to eat unless we do something about the food situation.

Mr. Speaker, I hope that the conferees, instead of riding the Senate, will agree to these items and join with the Senate in putting them in the bill.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma.

The motion was agreed to.

The SPEAKER. The Clerk will read the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 120. Page 73, line 15:

"WATER CONSERVATION AND UTILIZATION PROJECTS

"For the construction of water conservation and utilization projects and small reservoirs, including not to exceed \$220,000 for surveys, investigations, and administrative

expenses in connection therewith (of which not to exceed \$20,000 shall be available for personal services in the District of Columbia), all as authorized by the act of August 11, 1939, as amended (16 U. S. C. 590y, 590z), \$4,000,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House further insist on its disagreement to the amendment of the Senate numbered 120.

The SPEAKER pro tempore. The gentleman from Oklahoma moves that the House further insist on its disagreement to the Senate amendment.

The gentleman from Oklahoma is recognized.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Speaker, I should like to direct my remarks especially to the distinguished Subcommittee on Appropriations for Interior.

As the committee well knows, these projects, in disagreement, were commenced under the Case-Wheeler Act and were partially financed by W. P. A. and C. C. C. Since those two organizations have gone out of existence, and the War Production Board's stop order was issued these projects have been standing in an uncompleted condition. With particular reference to the one in my district known as the Newton project, which, by the way, is the smallest of the projects considered in the amendment 120 now in disagreement, I want the committee to take my word for it respecting the condition of this project because I have been on the ground myself within the last month. The project is half completed, all the strategic material has already been put into the project; the equipment is still on the ground, being cared for by watchmen and by mechanics to keep the equipment in repair. Trained men are already there to operate the equipment. It will take \$275,000 to complete this small project in a fertile valley that will produce anywhere from 18 to 25 tons of sugar beets per acre, and will produce other vital food crops that are so necessary at this time. It seems to me that with the call being made on this country to increase food production acreage from 255,000,000 to 380,000,000 acres, according to Mr. Davis, they have got to depend upon a portion of the increased acreage from irrigation and reclamation projects such as are here being discussed and appropriation for which are embraced in this bill. I hope the committee will look with favor upon this as a war food emergency program. I do not believe the committee should stand on any rule it might have adopted previously that because there is no Budget estimate for some of these projects they should not be completed. It seems to me it is a waste of money to let these projects stand in their present uncompleted state. It is the part of wisdom and good business sense to complete these projects. In my particular case 200 families can be placed upon profitable farms, who, in turn, would aid in the production of food that is so badly needed at the present time.

The Newton project was recommended as one necessary in the production of-

food program by the Bureau of Reclamation, the War Food Administrator, the Chairman of the War Production Board, and funds were provided by the Senate. At this point I desire to put into the Record a telegram just received from the State engineer of Utah which reads as follows:

SALT LAKE CITY, UTAH, July 2, 1943.
Hon. WALTER K. GRANGER,

House Office Building:

Newton Dam unsafe. My nonstorage order in force. Temporary repairs exceeding \$21,000 deemed unwise burden on water users. For production food urge you secure construction stop-order release for new permanent dam now partly constructed.

ED H. WATSON.

Members of the House and the committee, I emphasize that here is a project vitally needed in the production of food, half completed, needs very little strategic material, all equipment necessary to build it is now on the ground, men are already available who have been trained to operate this machinery. Is there any reason, in spite of the fact that there has not been a Budget estimate for it, why it should not be completed?

If we wait until fall for this appropriation, as the chairman indicated, it will simply mean putting off the production of food, as far as this project is concerned, another additional year. If we are sincere in our belief that there is a shortage of food, our sincerity will be tested in a case of this kind, and I am sure there are other projects in the same category deserving the same consideration.

Mr. Speaker, it is not my intention to offer a preferential motion to recede and concur, but I have confidence in the good judgment of the subcommittee that they will see to it that appropriations are made available for these projects.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I am particularly concerned in the item which is in dispute designated as amendment No. 120, providing \$4,000,000 for water conservation and utilization projects. This, as the gentleman from Utah has so well said, is designed to take care of small irrigation projects which have been begun and carried on under what is known as the Case-Wheeler Act permitting construction of small irrigation projects which but for that act would be impossible. This \$4,000,000 embraces \$300,000 for the completion of what is known as Buffalo Rapids No. 2 project.

Buffalo Rapids project is perhaps the first of its kind in the Great Plains States for farm stabilization and water conservation utilization program. Its purpose is to reclaim semiarid lands and rehabilitate many droughted-out farmers. The cost of the project is about \$1,840,000—approximately \$740,000 is reimbursable. A lot of this work was done by the Work Projects Administration. This project No. 2 includes units known as the Terry, Fallon, and Fallon prelift. All are pumping units served by power from Fort Peck and with water pumped from the Yellow-

stone River. Construction began in September 1940. It is said authoritatively that this project will reclaim 11,000 acres approximately. In connection with the urgent necessity for the increased production of food in the coming years, it seems to me that it is imperative that this project be completed. I do not need to again remind the House, as I have done time after time for the past year and half, we are going to be short of food. We have taken upon ourselves not only to feed this country including our Army, Navy and civilian population but likewise through lend-lease and our good neighbor policy we have taken on the burden of feeding other nations as well.

My understanding is that the former Food Administrator, Chester Davis, approved the completion of this project in connection with the necessity for increasing our food production for the year 1944. I have also been informed that the Bureau of Reclamation has likewise recommended its completion as quickly as possible.

There is no denying the fact that the only place to which we can turn today for an increase of food production is to the small irrigation projects of the Western States. There we can secure a large acreage of land that will produce alfalfa, wheat, sugar beets, potatoes, beans, and all that sort of food at a lower cost than any place else. I realize the position the committee has taken; I realize they are trying to economize. I further realize that our distinguished chairman of this subcommittee has always been a very good friend of irrigation and reclamation projects. I also know there are many others on this committee who feel the same way as he does about it. I am not going to make any preferential motion to have this \$4,000,000 included because I am a little bit fearful in view of what happened here yesterday that such motion would be voted down. I am going to rely upon our chairman and upon the members of the committee to realize the full necessity of creating and bringing into production a larger acreage of land for the production of the crops we will need next year in our war effort. I believe the distinguished gentleman from Oklahoma will help us on this matter—at least I am hopeful of it.

Mr. Speaker, this amendment, written in the Senate, covers irrigation projects in many States.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, I am well aware of the hard task that the conferees have on their hands. They have been patient and tireless. I concur with the gentleman from Montana that perhaps a vote on this particular item, amendment No. 120, would not be wise. At this stage of the proceedings, with the fiscal year already at a close, there is a strong tendency in the House to follow the conferees. A vote would not be a true test of the merits of this item. That means, then, that the only thing we can

do is to appeal to the gentlemen on the conference committee.

This \$4,000,000 item, represented by amendment No. 20, will be spent on a number of small irrigation projects in eight different States, and it will do more to increase the production of food than any other \$4,000,000 you could spend.

Right now we have in my district 3,000 prisoners being moved in waiting to do worth-while work that will help this Nation with its necessary economy. War prisoners should be put to work on permanent worth-while improvements.

We should not take this Budget trouble too seriously. We have had busy times here, but do you realize that every item that comes to the Senate or House is channeled through the Bureau of the Budget. The Budget, too, has been busy. Consequently many worth-while things have been presented by the Food Administration, by the Bureau of Reclamation, and by the War Production Board that have not been heard in detail by the Bureau of the Budget. Eventually Budget will O. K. this item.

The passage of this amendment will provide two projects in my State. One of them has the steel and the other critical materials lying on the ground. Do you think construction ought to go ahead? I know that if the right presentation could be made to the Bureau of the Budget, and it has time to reach it it would say, "Go ahead." I think that is what the conferees ought to do. I believe that they will be well satisfied with their effort if they decide this question on the basis of more food. The conferees should resolve any doubt in favor of more food production.

I want to call as my witness Mr. Donald Nelson, and I hope the members of the committee will follow me in this. This is a letter from Donald Nelson dated June 29 and states:

At the request of the Food Administrator, then Mr. Chester C. Davis, the War Production Board has been giving consideration to a number of irrigation projects which would increase food production.

We have not completed our study of the projects with the War Food Administrator.

All must realize there has been a change of Food Administrators, consequently the stubborn insistence of the conferees that this clear through the Budget cannot be met before this House recesses and time is of the essence.

Going on with Mr. Donald Nelson's letter, he says this:

It would be my suggestion that appropriation be made by the Congress for those projects which they consider necessary, and just as soon as manpower and materials can be made available we shall be glad to give proper consideration to them.

Why not follow Mr. Nelson and appropriate this money?

The War Production Board says, "We will wait on the Budget," the Budget says, "We will wait on War Production Board," and Congress says, "We will wait on the Budget." So we go around in a vicious circle and the food program is retarded. The public rightly demands action on the food front.

I want to read what Chester Davis had to say on June 7, 1943:

Our present food-production resources in established areas already are operating at capacity; therefore, the only means of increasing the output would be through development which will permit more intensive cultivation. Through the development of additional irrigation acreage, production of these foods can be increased in certain and stable amounts without in any way sacrificing the output of other essential crops and livestock products.

I believe anyone familiar with this problem will agree that to wait until next fall to appropriate this same amount of money that the House conferees say that they are willing to appropriate is a tragic mistake. Time is of the essence in growing food. Time is of the essence in building these projects and preparing the ground. To fail to act now means the loss of an entire crop year.

I appeal to the conferees to do the patriotic thing and accept amendment No. 120.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, it is not my purpose to offer a preferential motion for exactly the same reason as stated by the gentleman who has just left the floor and the gentleman from Montana [Mr. O'CONNOR]. I am willing to leave this matter of small reclamation projects in the hands of the conferees, having yesterday the assurance of the gentleman in charge of the bill that they will take this important matter under advisement at the earliest possible moment.

I do want to stress again the need for haste, just as the gentleman who left the floor a moment ago indicated. I think the illustration I am about to use is an apt figure of speech. In modern war the first great assault by a mechanized force is usually referred to as the panzer attack and is a large-scale effort. After this large-scale attack, no less important is the mopping-up process of many smaller efforts. For many years, at least for four decades, the United States Government has been, through the Reclamation Bureau, waging relentless war upon the so-called Great American Desert. The building of such huge dams as Roosevelt Dam in my State, Elephant Butte Dam nearby, down to Boulder Dam and Grand Coulee, were the panzer attacks.

Mr. Speaker, we have done much in this way, but such big projects involve huge sums and long-range planning. In recent years we have changed our method of attack and have begun a mopping-up process through small irrigation projects under the Wheeler-Case Act. Many of these in eight or more States make possible a maximum of food production in a minimum of time.

Mr. CURTIS. Will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Nebraska.

Mr. CURTIS. I would like to point out that if we wait until fall to appropriate this money, and the House conferees are agreed that it will probably be appropriated in the fall, we lose 1 crop year.

Mr. MURDOCK. That is true. It is said that these projects fall within about eight States. I do not believe any of them falls within my State, but I do know there are many of these that are now half-completed projects. There is one project in my State on which \$10,000,000 has already been spent. The storage dam is there, the diversion dam is there, 18 miles of canal are there, everything is there excepting the twig ends of canals—that is, laterals to put water on thousands of acres of desert land. This should be put to use at once, and it could be done without the outlay of much money, and it could be done quickly, in time to produce additional food this year in a country where we grow crops for 12 months in the year.

We produce alfalfa, for instance, all year round, getting five and six cuttings in a 12-month period. That is the possibility of some of these uncompleted projects. I ask the committee, the conferees especially, to help us along with this mopping-up process in this war on the desert, for that is exactly the most feasible way to get this food-production program enlarged as it must be.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Utah.

Mr. GRANGER. Did the gentleman notice in the press yesterday where Mr. Davis said that next year's program would call for probably 380,000,000 acres, an increase of 30,000,000 acres of cultivated ground?

Mr. MURDOCK. I did not notice that in the press, but I do know that Chester Davis, as well as Donald Nelson, is strongly in favor of these very projects. It is only a matter of red tape that we do not have the Budget estimates to back them now.

Mr. GRANGER. They have made that acreage basis on the theory that these projects are going to be completed and used in the production of food.

Mr. MURDOCK. I want to tell the committee that not only for the duration of this war but for many years after the war we are going to have need for food production, more than we can possibly produce with the acreage now in cultivation.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield such time as he may desire to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I would like to insert in the RECORD at this point the colloquy between the chairman of this Subcommittee on Interior Appropriations, the gentleman from Oklahoma [Mr. JOHNSON], and the ranking minority member, the gentleman from California [Mr. CARTER], which occurred yesterday when we began discussing reclamation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The matter referred to is as follows:

Mr. JOHNSON of Oklahoma. I agree with the gentleman. I think I should further add that all of these projects are commendable projects. I think they would be desirable, probably the finest thing that we could think of for a post-war program. It occurs to me that if either the stop orders should be lifted or Budget estimates secured by the time we return in September, then the deficiency committee certainly will consider and may well consider these projects favorably. I think I may say that it will consider all of these projects for which stop orders may be lifted. I am a member of that deficiency committee, and I think I know how the members feel about anything that will produce more food. We are not opposed to the projects; I want to make that perfectly plain. I am very strongly for reclamation projects, even though I have none in my own district. The truth about this is that we have neither Budget estimates nor War Production Board approval for these projects with the possible exception of one.

Mr. CARTER. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from California.

Mr. CARTER. May I say that I concur in what the gentleman says in regard to these projects that lack Budget estimates and lack removal of the stop orders. Even if we do recess, we are going to be back here in September. If those stop orders are removed and Budget estimates are obtained, the projects can be presented at once to the deficiency committee and we can consider them in an orderly way.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. ANDERSON], a member of the committee.

Mr. ANDERSON of New Mexico. Mr. Speaker, my colleague the gentleman from New Mexico [Mr. FERNANDEZ] and I are naturally extremely anxious that there be included in this bill sufficient funds for the Tucumcari project. However, we are entirely happy to follow the pattern established by our colleagues in suggesting that this matter should be well handled by our conferees as it has been in the past.

I do think we ought to bear in mind that there is a very serious problem confronting this country now when we come to a decision as to how additional acreage is going to be put in cultivation. There will be a temptation shortly to go out and rip up the new sod that is being grown in the Dust Bowl areas. I think this House ought to have that problem firmly in mind to make sure that when this new land is brought into cultivation it not be the type of land that results ultimately in dust bowls but be one of these irrigated areas.

I spent the early part of my lifetime on the Plains of the Dakotas. I saw that country turned up, fine buffalo grass ripped out, and western South Dakota develop very quickly into a great dusty area where formerly it had been a fine cattle country.

I lived to go down and be a neighbor to the high plains countries of Texas, Oklahoma, and New Mexico. There I saw that same thing repeated. The minute that prices got good, the minute the land got valuable, it was ripped up and "the plow that broke the Plains" resulted in the development of the great dust areas.

Just a few months ago I drove through the corner of Oklahoma, New Mexico,

and Texas and saw there the 300,000 acres that this Government has placed under fence, land that was once a desperate-looking Dust Bowl. I am happy to say to this House that as a result of legislation passed by the Congress when I was not a Member of it—I am not trying, therefore, to take any credit for it—these 300,000 acres are back in grass. The Dust Bowl has vanished. The area has been saved.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I may say that we farmers from the cities helped materially in having that brought about.

Mr. ANDERSON of New Mexico. I am very happy to acknowledge it. I am happy to say that the support for it came from both sides of the aisle. It was a fine piece of legislation, of which we are all proud.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Montana.

Mr. O'CONNOR. May I suggest to the gentleman that he has placed his finger on a very important feature of this whole business. By all means we must not plow up this grassland. The best way to increase the productive area is, just as the gentleman says, to increase our irrigated lands and leave the grasslands alone, and not make them again a place for the winds to lift their soil into the heavens and carry it from the Great Plains States down as far as the Atlantic Ocean.

Mr. ANDERSON of New Mexico. I thank the gentleman.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from Texas.

Mr. THOMASON. As a friend and near neighbor of the distinguished gentleman from New Mexico, I wish to join with him in expressing the hope that the conferees will do something about the Tucumcari project, because I regard it as one of the most deserving in the West. I have personal knowledge of the situation.

Mr. ANDERSON of New Mexico. I thank the gentleman, who is a fine neighbor and a fine friend of that country.

Mr. GEARHART. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of New Mexico. I yield to the gentleman from California.

Mr. GEARHART. I wish to compliment the gentleman from New Mexico on the splendid reclamation talk he has been making. I assure him that the reclamation-minded Representatives from California, despite what was said yesterday, will support him to a man, I think.

Mr. ANDERSON of New Mexico. I thank the gentleman. I assure the gentleman that the action I took yesterday was not based upon a desire to defeat any of the projects in California. As I tried to explain, the conference report must come back on a basis that can be accepted by the House. If it carries

merely a recommendation to include large sums of money without an entire well-rounded group program, it has no possibility of success. I want to see brought back to this House a conference report that represents something that will be accepted by the House, and that can happen only when our conferees come back well satisfied with the work they have done.

I plead with this House to bear in mind that the temptation will be ahead of us to take this new land that has been brought under grass again and rip it up and quickly plant it to crops, because it can be more quickly handled than any other part. But if we do that, we have destroyed the very thing we have worked for for years. This House must take the position that it will keep in grass these areas upon which the Government has spent millions of dollars to develop top soil again.

It has required many years of hard work; it must not be passed over with a wartime program.

The SPEAKER. The time of the gentleman from New Mexico has expired.

COMMODITY CREDIT CORPORATION BILL—VETO MESSAGE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield now to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I take this time to announce to the House that the veto message of the Commodity Credit Corporation bill will be read at 2:30 today and brought up for consideration and action by the House at that time.

INTERIOR DEPARTMENT APPROPRIATION BILL—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield now to the gentleman from Colorado [Mr. ROCKWELL].

WATER CONSERVATION AND UTILIZATION PROJECTS

Mr. ROCKWELL. Mr. Speaker, the problem of getting more food for our armed forces, our civilian population, and our friends overseas is of primary importance at this time. The recent floods in the Middle West, not to mention early frosts and other destructive agents, have lessened our already limited prospects for food production this year. It becomes constantly more evident that additional land must be placed under cultivation in addition to making, insofar as is possible, our presently cultivated lands produce more. We have two choices—either to plow up more dry land, such as was done in sections of Colorado, Texas, and Oklahoma, during and following the last World War, or to get more land under irrigation. The dust storms and other serious consequences, both to the land and to health, that followed the plowing up of the Dust Bowl should not be repeated. The alternative answer to our food problems must be more storage facilities for water to be used for irrigation.

Stop orders have involved a serious delay in the development of 877,500 acres of new land and 2,085,000 acres of presently cultivated land for which a supplemental water supply is needed.

The item in the bill having to do with completing small reservoirs and dams promises the quickest and the cheapest answer to the question of increasing our food production. During the depression and under the Case-Wheeler Act, W. P. A. and C. C. C. labor was used in the construction of many small dams and reservoirs in the Rocky Mountain area. These reservoirs are partially completed. They are of no value now and unless they are cared for soon, much of the work that has been done will be permanently lost. Already the War Food Administration has approved some of these projects to alleviate the food shortages. The necessary materials to complete the work is, in many instances, on the ground and labor is available.

To assist in the immediate completion of these smaller irrigation projects, the Irrigation and Reclamation Committee of the House has unanimously reported out two bills to permit the expenditure of appropriated money in lieu of "services, labor, materials, and other property" under the Case-Wheeler Act.

It is my hope that the conference committee will reconsider its action and agree to the amount approved by the Senate.

Mr. JOHNSON of Oklahoma. Mr. Speaker, before moving the previous question I desire to make a brief statement with reference to this particular amendment. Several Members have said that the chairman of this subcommittee has in the past favored an appropriation under the Case-Wheeler Act. These statements are true and correct and absolutely in keeping with the RECORD. I think I am not violating any rules or secrets of the committee when I say that the other members of the conference committee also realize the importance of this great problem under the Case-Wheeler Act, which will provide an additional water supply in arid and semi-arid areas. My own State of Oklahoma, especially in the western and northwestern portions, is tremendously interested in this item, but, as I am sure you gentlemen know, there is no Budget estimate for this item nor is there a recommendation by the War Production Board. As Members also know these projects have been handicapped by the loss of the C. C. C. and the W. P. A. labor, and as Members also will recall, these projects are considered feasible only with the W. P. A. and C. C. C. aid. Let me read from the testimony with reference to this particular item, so that Members may understand the position of the House conferees. Here is a statement in the record of the hearings by the Acting Commissioner of Reclamation with reference to this particular item:

These projects contemplated the use of contributed labor from the Work Projects Administration and the Civilian Conservation Corps, and are set up upon the theory that the water users can pay the allocation that the President makes out of this lump sum appropriation. Projects of this kind are now handicapped, of course, by reason of the fact that Work Projects Administration labor has disappeared and Civilian Conservation Corps labor has disappeared. In the place of those two in some cases we have C. C. S. camps—that is the conscientious objectors—and we

are planning on the establishment of conscientious objectors' camps on the Mancos project about the 1st of July.

In addition to that, there is legislation pending now in the Congress authorizing taking into consideration the necessity for the growing of more foodstuffs to win the war which, if passed, will make many of these projects, and possibly all of them, financially feasible. The committee hopes that such legislation will pass, and we will then have a green light on these particular projects.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. CURTIS. In lieu of the C. C. C. camp labor and the W. P. A. labor, the Army has already moved into the area of these projects prisoners of war, prison labor, and they are ready and unless this committee acts, the months and years will roll by.

Mr. JOHNSON of Oklahoma. I appreciate the gentleman's statement, and I am sure he knows my personal appreciation of this program.

Mr. O'CONNOR. Is it not true that the Bureau of Reclamation has recommended what is known as the Buffalo Rapids No. 2 in eastern Montana to be completed upon the theory that it is in the course of completion now, and that it will bring into production in the neighborhood of 11,000 acres? I think that was recommended by the Reclamation Bureau, and likewise by Mr. Chester Davis, the Food Administrator, who was familiar with the area, having lived in Montana.

Mr. JOHNSON of Oklahoma. The gentleman is more familiar with the recommendations than I am, but if the gentleman says that that recommendation has been made I am sure that it has been made, because the House must depend upon the gentleman's statement. I am of opinion, however, that that recommendation has been made to another committee at the other end of the Capitol.

Mr. O'CONNOR. I was informed that what I stated occurred.

Mr. MURDOCK. Confirming what the chairman said a few minutes ago that legislation is now pending which would authorize further appropriations for these much-needed food projects, I may say that the House Reclamation Committee has already reported out favorably H. R. 3018 and H. R. 3019, and similar or identical bills have been reported out by a committee of the Senate, so they are in process of enactment.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I now yield to the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BARRETT. Mr. Speaker, I wish to call attention to the extreme urgency of providing funds for the construction of water conservation and utilization projects and for the development, completion, and expansion of irrigation and

reclamation projects in the West. These projects are of vital importance at this time for the reason that they offer the surest and quickest means and method of providing more food and fiber so badly needed to supply not only our present needs, but to build a stock-pile for post-war requirements. In providing food for ourselves and for nations that will be dependent upon us when the war is over, we must never be accused of providing too little, too late.

The fate of many human beings depends upon our foresight and judgment. In this connection, I wish to call attention to the possibilities of production from the developed and undeveloped irrigation projects of Wyoming.

Under these projects, new virgin land is available and awaits only proper development to produce in great quantities.

The Eden Valley project in Sweetwater County, Wyo., may be developed to add an additional 8,500 acres of productive lands in 1944.

The Riverton project will add 53,000 acres for 1944, and the Shoshone-Heart Mountain project will add approximately 26,000 acres for 1944.

We have all come suddenly face to face with the startling fact that there is a shortage of food and fiber and that every available acre must be made to produce if we are to meet the demands of our civilian population, our armed forces, and at the same time, meet the requirements of lend-lease.

These irrigation projects provide the surest method of supplying these needs, and support of these appropriations to continue their development is mandatory upon us.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Oklahoma.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 121: Page 74, line 14, insert "Services or labor of prisoners of war, enemy aliens, and American-born Japanese who are in the control of the Federal Government may be utilized in connection with the construction, operation, and maintenance of Federal reclamation projects, water conservation and utilization projects, Indian irrigation projects, and related work, subject to the approval of, and regulations by, the War Department or other Federal agency having control of such persons."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore [Mr. COOPER]. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 142. Page 82, line 7, insert: "Protection of mineral resources and facilities (national defense): For all expenses necessary to enable the Bureau of Mines, independently or in cooperation with

other agencies, public or private, to initiate and augment measures to prevent subversive activities from interfering with the extraction and processing of minerals, including not to exceed \$35,000 for personal services in the District of Columbia; purchase (not to exceed \$5,000), maintenance, operation, and repair of passenger-carrying automobiles; travel expenses, including expenses of attendance at meetings of organizations concerned with the furtherance of the purposes hereof; not to exceed \$3,500 for printing and binding; purchase of special apparel and equipment for the protection of employees while engaged in their work; and purchase in the District of Columbia and elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior," \$475,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment which is at the desk.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 142 and agree to the same with an amendment as follows:

"In line 6 of said amendment strike out '\$35,000' and insert '\$30,000.'"

"In line 8 of said amendment strike out '\$5,000' and insert '\$4,500.'"

"In line 12 of said amendment strike out '\$3,500' and insert '\$3,250.'"

"In line 17 of said amendment strike out '\$475,000' and insert '\$400,000.'"

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Oklahoma.

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 149: Page 84, line 12, insert "Purchase of land, etc., Bartlesville, Okla.: For the purchase of land in Bartlesville, Okla., which land may be acquired as an addition to the petroleum experiment station of the Bureau of Mines, and the purchase or construction of fences, temporary storage sheds, and other necessary structures, to remain available until expended, \$30,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 149.

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that amendments Nos. 154½ to 160, inclusive, be considered en bloc.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendment No. 154½: Page 86, line 5, strike out the word "western."

Amendment No. 155: Page 86, line 9, strike out the word "coking."

Amendment No. 156: Page 86, line 11, insert "pilot plant construction and operation to utilize more fully found resources and."

Amendment No. 157: Page 86, line 15, insert the word "purchase" after the word "expenses."

Amendment No. 158: Page 86, line 16, strike out the word "two" and insert "twenty-five."

Amendment No. 159: Page 86, line 17, strike out "\$8,000" and insert "\$38,000."

Amendment No. 160: Page 86, line 24, strike out "\$149,000" and insert "\$2,750,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendments numbered 154½ to 160, inclusive.

Mr. COOLEY. Mr. Speaker, I offer a preferential motion. I move that the House recede and concur in Senate amendments 154½ to 160, inclusive.

The Clerk read as follows:

Mr. COOLEY moves that the House recede and concur in Senate amendments Nos. 154½ to 160, inclusive.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, it occurs to me that this is a very important item. Without undertaking to discuss in detail the very acute steel shortage, I think I am safe in saying that no one will question the fact that we are now in a very distressing situation. Everyone seems to admit that there is a very definite shortage of steel.

Some 10 months ago this House created the Boykin committee and authorized that committee to conduct an investigation for the purpose of determining just what could be done to increase our supply of steel. The committee has worked very earnestly for the past 10 months and the committee believes that \$2,750,000 is needed to the end that the Bureau of Mines, in cooperation with the interested agencies in the several States, might conduct an exploratory investigation for the purpose of obtaining information which might lead to a further production of raw materials used in the manufacture of steel. The Bureau of Mines likewise feels that \$2,750,000 can well be used and is badly needed in the conduct of the investigation recommended by the Boykin committee. The House committee, instead of providing a sufficient sum for the investigation in the 26 States in which there is real reason to believe that very valuable deposits of strategic materials may be found, restricted the appropriation to a very small sum—only \$149,000—and restricted the investigation to a very limited area of the country.

The chairman of the committee has just offered an amendment, striking out the word "western," the effect of which is to lift the limitation upon the area in which the investigation is to be conducted. My motion to recede and concur in the Senate amendment will make available the funds deemed necessary by the Boykin committee, the Bureau of Mines, and by the Senate. Even this is a rather small amount of money when you take into consideration the importance of the work and the necessity for an increased production of steel.

The Governors of several of the States have been greatly interested in this matter. I know that the Governor of my own State, Hon. J. Melville Broughton, has taken a great interest in the proposed investigation. He recently appeared before the Boykin committee and made a very splendid statement. I am advised that the State of Alabama has appropriated \$100,000 to be used in connection with the investigation contemplated. The proposed investigation, contemplated by this appropriation, now embraces a very large area of this country and yet, under the motion of the gentleman from Oklahoma, to insist upon the position of the House, a very small and wholly inadequate amount of money will be made available. Seven or eight hundred thousand dollars, or even a million dollars, is not sufficient and I do not believe that this House should ignore the recommendations of the Boykin committee and the Bureau of Mines. We should make available every dollar needed to do the job. The Bureau of Mines, in cooperation with the various States, should be authorized and equipped to obtain full and complete information regarding the deposits of minerals which might be used in the manufacture of steel. The information acquired will be made available to private industries in the hope and in the belief that private business will develop mining possibilities.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENSEN. I should not take issue with the gentleman and I would not take issue if it were not for the fact that we have been spending millions of dollars investigating these natural resources of ours and many small concerns, modest in size, concerns which have metal deposits, have made applications to the R. F. C. for loans and it seems to me that they got no consideration at all. The fight that is going on between a couple of fellows in this administration today is due in part to the very thing that the gentleman is asking about and that I am talking about.

Mr. COOLEY. Is that not all the more reason why this Congress should authorize this investigation?

Mr. JENSEN. I agree perfectly with the gentleman; only what good does it do to give them a lot of money if, when the investigations are made, they will not let the mines be opened for development?

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield to the gentleman from North Carolina for 3 additional minutes.

Mr. COOLEY. I thank the gentleman from Oklahoma for his generosity in permitting me to proceed.

I reiterate, the House created this Boykin committee and authorized it to do a job. The enthusiastic and able and distinguished gentleman from Alabama [Mr. BOYKIN] and the members of his committee have discharged and are discharging their duties well and the members of this committee feel and be-

lieve that \$2,750,000 should be made available for this investigation. The Bureau of Mines and the Senate of the United States approve the sum of \$2,750,000. If this amount is needed it should be made available immediately.

I am not a miner. I do not speak the language of the miner. The fact is, I do not know anything about mining, but I do know that we ought to be thinking of the future of this country and planning for that future. Only by thinking of and planning for the future shall we be able to influence and to direct the destinies of this great Republic. Steel is needed and will be needed badly in the winning of this war. We should, of course, think of the present and yet, at the same time, we should think of the future. Steel is needed in war and likewise it will be needed in the days of peace.

Mr. JENSEN. Will the gentleman yield?

Mr. COOLEY. Yes; I yield.

Mr. JENSEN. Does the gentleman know that the Budget Bureau only approved \$300,000?

Mr. COOLEY. I am not concerned about what the Budget Bureau did. This \$2,750,000 has been approved by the Boykin committee, it has been approved by the Bureau of Mines, and it has been approved by the Senate and I have no information to the effect that the Bureau of the Budget looks with disfavor upon the amount sought to be made available. Of course, the routine procedure is to submit proposed appropriations to the Director of the Bureau of the Budget for the purpose of determining whether or not it is in line with the President's program. Just because this larger item was not submitted to the Bureau of the Budget does not mean that Congress cannot take action upon it. Our chief concern is the winning of this war and in the winning of the war we will need steel. In the war the world is being destroyed and in the days of peace we will need great stores of steel to rebuild the world which is now being destroyed. Only by a lack of foresight will we fail to prepare for the full development of our own resources.

Mr. JENSEN. The gentleman is making about the same speech which I made before the committee and which is in the hearings.

Mr. COOLEY. I hope very much that the gentleman will vote for my motion. I am in dead earnest about this matter. If we fail to provide sufficient funds I do not believe that we are giving sufficient consideration to the recommendation of our own committee and I do not believe that in this important matter we will be treating America right. This is not a partisan proposition. Neither is it a personal nor a sectional problem. It is a national problem and a problem of great magnitude.

Mr. JENSEN. Is the gentleman from North Carolina willing to leave this matter to the judgment of the able chairman of this committee, the gentleman from Oklahoma?

Mr. COOLEY. I have great respect for the ability and the integrity of the

gentleman from Oklahoma but he is rather economy minded and sometimes "tight-fisted" when it comes to spending money. I am afraid that he has not considered the importance of the item we are discussing.

Mr. JENSEN. I know he is but he has done a wonderful job.

Mr. COOLEY. I agree. The gentleman from Oklahoma has done a wonderful job and I am not criticizing him.

Mr. JENSEN. And he is also thinking about what is going to be done with this item.

Mr. COOLEY. I appreciate the many outstanding and fine qualities of the gentleman from Oklahoma. He is a statesman of great ability and I know that he is in every respect trustworthy.

This is not a matter which affects my native State of North Carolina any more than it does a number of other States in the Union but I do think that it is tremendously important and I do not believe that just a few hundred thousand dollars will be sufficient. I hope that a full and complete job will be done and that sufficient money will be provided. I believe that valuable deposits can be located in various sections of this country. I, therefore, Mr. Speaker, urge the adoption of my motion to recede and concur in the Senate amendments.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, I am a member of the Boykin committee on steel shortages referred to by the gentleman from North Carolina [Mr. COOLEY].

The appropriation to be made in this bill through Senate amendments 154½ to 156, inclusive, in the interest of national defense, provides for the investigation of raw-material resources and the establishment of pilot plants where necessary for the development of steel production.

It is a well-known fact that there are many high-grade ore deposits scattered throughout the country in large commercial quantities that can be made readily available for the production of steel if we will take the initiative in providing for the early stages of development.

Steel, and more steel, is the crying need of our war-production effort today. That little group of steel masters who have held the entire steel industry of this Nation in a tight grip, centralized within 700 miles of this Capitol Building, have misled the Nation to protect their own selfish interests. Before this war started they owned the mines, the blast furnaces, the mills, and even the shipbuilding plants of the country. And months after we were engaged in the war they had the audacity to carry full-page newspaper advertisements to the effect that there was no steel shortage.

The shortage of steel in this country today is almost as crippling in its effect as the shortage of food. The steel shortage is a bottleneck that must be

broken, and only the Congress of the United States is able to break that bottleneck because of the power the steel masters of this country now wield.

The shortage of steel has become so serious that the War Production Board took the initiative to call the situation to the country's attention by issuing a statement concerning our requirements for July, August, and September of this year. During this third quarter the 16 claimant agencies of the Government require 21,000,000 tons of finished carbon steel, and it is estimated there will only be 15,000,000 tons available for allocation. The War Department's requirements have been reduced 14 percent, while their requirements for alloys will be cut 16 percent. The Navy Department's requirements are being cut 20 percent, and alloys have been cut the same as the Army's. The Maritime Commission requirements are being cut 22 percent, Lend-Lease 32 percent, and the Office of Defense Transportation 40 percent.

Mr. Speaker, this is a serious and critical situation brought upon this Nation by the centralization of the steel industry in the hands of a small group of men. This situation cannot be permitted to continue.

Steel is the backbone of our war effort and our national economy in times of peace. Steel, steel, and more steel is the crying need of our war production effort today. Not alone is steel the main requirement for mechanized warfare, but it is needed in every other phase of our war production.

More and more steel is needed to build ships.

The shortage of steel today is responsible for the shortage of housing in large areas where war industries have brought about great shifts in our population. The filth and squalor in which the men and women in many of our war factories and their families now live slows down their production.

The shortage of steel today is in large measure responsible for our transportation problems. It has caused many war workers to have to travel 50 and 60 miles daily to and from their employment because of lack of housing adjacent to their work. This in turn has created problems of transportation difficult to cope with.

The shortage of steel has stopped the completion of large hydroelectric power plants, which in turn would save huge quantities of fast diminishing oil supplies, now so urgently required by our military and naval forces.

And, Mr. Speaker, every Member of Congress representing a rural district is aware of the fact that the farmers in his district have been hamstrung in their desire to increase food production because they cannot purchase necessary farm machinery and equipment. Indeed, they cannot even purchase parts to repair and replace worn equipment already in their possession. This is due to the steel shortage.

We cannot face this issue with complacency. This war will not be over tomorrow, next week, or next month. Until the last shot is fired we must use every

means at our command to furnish the materials necessary to win the war.

The decentralization of the steel industry must be accomplished. It is the one industry of this Nation that must, in fact, be distributed over the Nation. We can no longer trust the fate of the Nation in the hands of a small group of men who are primarily interested in protecting their post-war interests. We must save the Nation first and then develop our national economy on a national scale with steel manufactured throughout the Nation where the ores are available. The decentralization of the steel industry will aid this development.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to ask the gentleman this question: In addition to the figures which he has just quoted to the House, which reveal a very distressing situation with respect to steel shortage, if it is not a fact that the steel necessary for the manufacture of farm implements in this country has been cut below necessary demands by 62 percent?

Mr. WELCH. Until very recently the allocation of steel for farm machinery and farm implements was only 22 percent of the allocation of steel for that purpose during the years 1941 and 1942. Recently they have increased the percentage, but there is still a critical shortage.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I hope this preferential motion prevails. I do not like to find myself in disagreement with the distinguished gentleman from Oklahoma or with my distinguished colleague from Iowa but I want to see both of them lose this afternoon. I want to see my friend from California and my friend from North Carolina prevail in their preferential motion.

Mr. Speaker, in the district I have the honor to represent there are literally billions of tons of low-grade iron ore which up to this time they have not been able to find a way to make commercially usable because the expense is too great. The result is that 80 percent of the iron ore that is being used in this country to make steel comes from the district I represent. It is known as a high-grade ore. There are people who say that in only a very short time we will not have any of this high-grade ore left, taking it out at the rate of 90,000,000 tons a year and shipping it down the Lakes to make this steel for war purposes and the commercial purposes of this country.

These experiments ought to be continued. The University of Minnesota is conducting experiments. As I understand these amendments, the Federal Government will cooperate in still further experiments so that the low-grade ores can be utilized and made of commercial value to this country.

I hope the preferential motion is agreed to.

EXTENSION OF REMARKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York, Mr. MARTIN J. KENNEDY, may extend his own remarks in the RECORD on the subject Posters Work for Victory.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1944—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Speaker, I rise in support of the Cooley motion because, in my opinion, if we allow only the \$149,000 provided in the House bill, we might as well junk the whole program. Take my district, for instance. Some of the first iron ore produced in this country was produced in southwest Virginia. We had blast furnaces there prior to the Revolutionary War. As late as the nineties we had eight blast furnaces running in the southwestern part of Virginia; today we do not have a single one. I believe that if a proper investigation could be made of our iron deposits in the southwestern part of Virginia, in a few years these old blast furnaces would be reopened and put in operation. The problem has been that no one in that section has had the money to make the right kind of investigation. It takes money to investigate these deposits. If we only had the money available today to make a real investigation of our iron deposits, to do the right kind of prospecting, I believe the investigation would show that we have sufficient ore to justify the reopening of our furnaces and that in a short while southwestern Virginia could be producing thousands of tons of ore each month. If the investigation shows, as I believe it will, that we have the ore, then I do not think we will have any trouble in finding the capital.

The Senate included \$2,750,000 for this purpose, which will be a sufficient fund to investigate the possibilities of our known iron deposits scattered over different sections of this country. I hope it will be the pleasure of the House to recede and concur in the Senate amendments in order to give the Bureau of Mines sufficient funds to make an honest investigation of the possibility of our iron deposits. It is time we found out in this country just what iron deposits we have. Our national security demands that we have this information. Give us the money so we can obtain the information.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. COOLEY. Let me call the gentleman's attention to the following statement which appears in a letter from Mr. R. R. Sayers, written under date of June 10, 1943, to Mr. Allen Forsberg:

An over-all program of this character involving the total expenditure of \$2,540,000 would definitely improve the country's position with respect to raw resources for iron and steel manufacture.

Mr. FLANNAGAN. I think that is a correct statement.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, ever since I came to this floor some 10 years ago we have had the problems of the farmer before us. If there is anything that has made it difficult for the farmer it has been the cost of his implements and the iron tools he uses on the farm. There has been a practical monopoly of machinery and things made of iron that are used in agricultural production. I have seen many a farmer go to the machinery houses and sign up interest bearing notes to buy a set of machinery that put him so hopelessly in debt that he ended up finally by losing his farm. I believe the root of agriculture's problem can be found in the unfair overcharges made for the iron and steel that goes into the machinery he uses to produce his crops and the food this country so desperately needs. Anybody who has seen the price of a binder jump from \$175 to \$350, anybody who has seen a mowing machine go from \$45 to \$110 and stay there, anybody who has seen nails go up, anybody who has seen all kinds of tools, plow points, and so forth, rise, anybody who knows anything about agriculture at all knows what has been done to the farmer by the iron producers and the Steel Trust.

We have an opportunity here to utilize the steel and iron deposits. In the State I have the honor to represent, Idaho, we have proven an important deposit of iron. We have harnessed the great rivers out there and are generating huge quantities of power. The power is there, the iron is there, all we need is an investigation and study and laboratory tests that will put that iron to use in order to lighten the heavy financial load carried by the farmer who is now compelled to patronize the present monopolies and the Steel Trust throughout the country.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Montana.

Mr. O'CONNOR. I concur in everything that the gentleman from Idaho has said. I want to also add that we have large iron deposits in the State of Montana that need exploration and not only that but development. We have iron enough in my State, in my opinion, to meet the demand for iron a long time to come.

Mr. WHITE. I thank the gentleman for his contribution.

Mr. JACKSON. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Washington.

Mr. JACKSON. I want to compliment the gentleman for the fine statement he is making. I would also like to point out the fact that a great portion of the demand for steel now comes from the western area, particularly along the Pacific coast in which are located these great shipyards. We have deposits in Oregon, Washington, and California that ought to be explored and in Idaho and in that part of the country.

Mr. WHITE. I know where there are mountains of iron in the great State of Washington, I know where there are great deposits of iron in the State of Idaho.

Mr. MAGNUSON. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Washington.

Mr. MAGNUSON. May I also point out to the gentleman that in the district of my colleague from Washington [Mr. COFFEE] there is the greatest deposit of coke-burning coal known in the entire world and that is 22 miles from the tide-water flats of Puget Sound.

Mr. WHITE. We not only have the iron on hand ready to be mined in the States of Washington, Idaho, Montana, and all over the Northwest, but we have the power. We have the developed and undeveloped waterpower of the great Columbia River and its tributaries. We have an almost unlimited amount of potential power to smelt the iron and fabricate and make the things that the farmer needs to break the grip of this monopoly that has done more to cause the problem and the difficulty of the farmer than anything else, this problem and difficulty that we have been trying for 10 years to solve but have not been successful.

Mr. JENSEN. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman has a lot of influence with the R. F. C. and with Mr. Jesse Jones, also with the Metals Reserve Board and the metal chief on the W. P. B. I will tell the gentleman what I want him to do, and I may say I am in favor of this amount. I want him to go down there and get them to take the lid off of the money that is keeping these mines from being developed.

Mr. WHITE. I may remind the gentleman that we are dealing here with a policy of the Bureau of Mines and the Department of the Interior. We are considering the Interior Department bill. I hope that the conferees will go along with the Senate and give us this appropriation.

Mr. JENSEN. Yes; and get the R. F. C. to go along with it, too.

The SPEAKER. The time of the gentleman has expired.

CALL OF THE HOUSE

Mr. McMURRAY. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-seven Members are present, not a quorum.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 127]

Barden	Domengeaux	Furlong
Barry	Drewry	Gallagher
Bradley, Mich.	Fay	Gifford
Capozzoli	Fitzpatrick	Green
Cochran	Ford	Hall
Culkin	Fulmer	Edwin Arthur

Harness, Ind.	Mansfield, Tex.	Robison, Ky.
Hébert	Mason	Rowe
Hollifield	Merritt	Russell
Izac	Morrison, N. C.	Shafer
Johnson, Ward	Norton	Sheridan
Kennedy	O'Brien, Ill.	Stevenson
Kilburn	O'Hara	Tolan
Kling	O'Leary	Treadway
Lambertson	Phillips	Van Zandt
Lesinski	Plumley	Vinson, Ga.
Maloney	Pracht	

The SPEAKER. On this roll call 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings, under the call, were dispensed with.

COMMODITY CREDIT CORPORATION— VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 249)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

H. R. 2869, to continue the Commodity Credit Corporation as an agency of the United States, is before me. This measure will become law only over my strenuous objection and protest.

The Congress is aware of my deep interest in the Commodity Credit Corporation. It was created by me under Executive order issued October 16, 1933, to meet a grave and critical emergency. It has proved to be useful not only in an emergency, but under other conditions. It has an essential function to perform in our war-food production program. It should and must be continued.

But this is not a bill to continue the Commodity Credit Corporation. It is a bill to hamstring the Commodity Credit Corporation. It places new and unwarranted restrictions on the use of its funds and on the powers heretofore given to the administration to stabilize the cost of living. These restrictions would prevent our giving to farmers the assistance they need in carrying out our new food-production programs, so essential to feed our citizens and our soldiers. They would make it impossible for us to stop the rising cost of living.

As the measure now stands this is an inflation bill, a high-cost-of-living bill, a food shortage bill.

There is, for instance, a provision in section 6 (a) which prohibits the establishment of a maximum price for any raw or processed agricultural commodity which will reflect to the producers thereof a price less than the support price heretofore or hereafter announced by the War Food Administrator, or less than the higher of the maximum prices provided in section 3 of the act of October 2, 1942.

I have tried to analyze this section and to translate it into common-sense English. Frankly, I do not know what it means.

If the provision merely means that if the support price is higher than the maximum price established under the act of October 2, 1942, the commodity must be purchased from the producer at the support price or the farmer must be paid the difference between the support price and the maximum price, the provision would serve no purpose. That is now, as I understand it, the law.

If, on the other hand, despite language which looks the other way, the provision were construed to mean that the maximum price must be fixed so as to yield to the producer the support price without the payment of any subsidy, the provision would require the immediate upward adjustments in the ceiling prices for many basic food products. Prices for dry edible beans, cheese, canned vegetables, sugar, and, in some markets, fluid milk would immediately go up because the support prices for these products are higher than their present ceiling prices.

If the provision were so construed, it would not only immediately increase the cost of living but it would make it impossible for us to adopt support programs needed to increase production without causing a still further rise in the cost of living. Undoubtedly if we must in each case weigh the advantages of a support program against the disadvantages of an increase in the cost of living, many support programs which might otherwise be adopted will be rejected, and other support programs, although finally adopted, will inevitably be delayed.

Section 6 (b) of the bill prohibits, with specified exceptions, the making of any subsidy or other payment other than those which have accrued prior to August 1, 1943, if such a payment is designed either (1) to reduce or roll back maximum and support prices or (2) as a substitute for increasing maximum prices or support prices, unless such payments are specifically authorized by the Congress. The specified exceptions are rigidly limited. Subsidies or other payments can be made until the end of the current crop year on any agricultural commodity other than milk or livestock if, prior to June 15, 1943, the Government was committed to make them. Wheat can be sold for feeding purposes at not less than the parity price for corn. Maximum and support prices on domestic fats and oils and oil seeds can be adjusted as necessary to assure adequate production.

Section 7 seeks to subject to the War Food Administration's control all the powers given under section 2 (e) of the Emergency Price Control Act in respect to the purchase, sale, storage, and use of foods. I am sure that the War Food Administration is amply capable of handling such a task. But even its hands are shackled by the imposition of rigid restrictions which were included neither in the original Price Control Act nor in the act of October 2, 1942.

Section 7 provides that purchases can be made only at prices which reflect to the farmer not less than the maximum price provided in the act of October 2, 1942, or the announced support price, whichever is the higher. No purchases can be made for the purpose of reducing any maximum price. No purchases can be made for the purpose of resale at a loss unless made under a program announced prior to July 1, 1943. Even under preexisting commitments, the Government is not authorized to make purchases which will involve losses in excess of \$150,000,000. It apparently prohibits any purchase and sale program involving any loss for the 1944 crop.

Commodities purchased are not to be sold for less than the maximum price limitations provided in the act of October 2, 1942, or contrary to section 2 (f) of the Price Control Act. It is far from clear that this last restriction does not nullify the exception in section 6 permitting wheat to be sold for feed at the corn parity price.

It is not clear whether the restrictions in sections 6 and 7 are cumulative or whether the Congress wished to draw a distinction between direct subsidies and trading losses resulting from the purchase and resale of foods.

Reputable lawyers could, I am advised, argue that section 6 completely nullifies section 7. If I should agree, then the bill would be even more inflationary. If I should take the contrary view, I may be sure that I will be accused of misconstruing the law.

Many other serious complications and difficulties in administering and construing the bill have been brought to my attention. But if I attempted to deal with all of them here my message would become as complicated and confused as the language of the bill itself.

When farm prices were low, in time of peace, no one in either branch of Government ever suggested that the Commodity Credit Corporation should be forbidden to take losses in its operations. Now, in the critical emergency of war, it is proposed to tie the corporation's hands in ways undreamed of in less strenuous days.

No matter how this measure is interpreted, it will have a devastating effect upon our economy and our war effort about which I believe the Congress and the American people ought clearly to be warned.

1. This bill blacks out the program to reduce the cost of living. In other words, it completely outlaws the recent reductions in the price of meat and butter which we instituted in order to help get the cost of living back down from the height to which it has risen in recent months.

By this measure, the Congress will compel every housewife to pay 5 cents a pound more for every piece of butter that goes on her table, and to pay higher prices for every pork chop, every ounce of beef, every slice of ham or bacon which goes to feed her family.

2. This measure will make it virtually impossible to institute any additional measures to reduce the cost of living or even to hold the line.

3. The bill denies to the Executive any power to purchase farm products for resale at a loss or to make incentive payments to obtain increased production of foodstuffs without the approval of the Congress. I do not believe that the Congress has had an opportunity to know or to consider how seriously it may cripple our entire food program.

It is proper for the Congress to set the limits within which our food programs must operate and the principles to which they must conform. But there is not time to submit each specific food program for congressional approval. Crops will not wait for congressional debate. To

require specific approval of each specific program is in effect a prohibition.

In order to obtain a greater production of important war foods it may be necessary to establish special incentives for our farmers. We are asking our agricultural producers to change their farming methods and to grow new crops to which they are unaccustomed and which we need greatly in place of the old crops to which they are accustomed and which we may not need so greatly. It may often be difficult for the War Food Administrator to decide just how great an incentive is required for this purpose. This bill does not prevent the continued use of generous incentive payments to obtain strategic war materials other than food. Yet food is as important as any other strategic war material.

This measure, however, would mean that every additional dollar paid to the farmer to get the extra war crops we need to feed our soldiers abroad would reduce the purchasing power of the limited allowances of their wives and children at home.

Such a restrictive measure would serve only to set the soldier, the worker, and the unorganized consumer at war with the farmer.

The original price control act gave the Government certain powers to regulate prices. In the summer of last year I informed the Congress that the administration could not control the cost of living and prevent inflation unless it was given more adequate power to stabilize wages and food prices. Thereafter the Congress passed the act of October 2, 1942, which authorized me to stabilize prices, wages, and salaries affecting the cost of living so far as practicable on the basis of the levels which existed on September 15, 1942.

The measure now before me virtually nullifies the Act of October 2, 1942. This Government cannot effectively stabilize the cost of living if it cannot stabilize the cost of necessary foods. As a matter of fact this measure even takes from the Government powers which it was given under the first Price Control Act.

As the danger of inflation grows, the Congress would by this bill put new shackles on those whose duty it is to fight inflation. The fight against inflation cannot be won that way.

To get our economy to work I realize that we cannot rigidly freeze all prices or all wages. In some cases we must pay higher prices to producers to get the extra war production which we need because that extra production costs more to produce. We must likewise put more money in the worker's pay envelope when he works longer hours or when he does more skilled or efficient work, or when his pay is insufficient to keep him on a decent subsistence level. But with a well-balanced combination of measures we must keep wage rates and consumers' food prices from rising if we wish to hold down living costs.

Our wage stabilization program is and must be dependent on the stabilization of the cost of living. This is expressly recognized in the Act of October 2, 1942. The Little Steel formula was based on

the fact that there had been a rise of approximately 15 percent in the cost of living between January 1941 and May 1942, for which rise workers could be compensated by wage increases.

The cost of living is now about 8 percent above the level of May, 1942, and about 6 percent above last September. There has been an increase in the average worker's weekly pay check since September. This increase has come primarily through longer hours and through the shift of workers into war industries from lower-paid civilian occupations, although increases in wage rates to correct inequities have played a part. But there are many workers who have enjoyed no increase in earnings.

It is too easy to act on the assumption that all consumers have surplus purchasing power; and that the high earnings of some workers in munitions plants are enjoyed by every worker's family. This easy assumption overlooks the 4,000,000 wage workers still earning less than 40 cents per hour, and millions of others whose incomes are almost as low. It ignores the fact that more than 4,000,000 families have not had an increase of more than 5 percent in their income during the last 18 months. It further ignores the millions of salaried, white-collar workers—the school teachers, the clergymen, the State, county, and city officials, the policemen, the firemen, the clerks—whose salaries have remained low, but whose living standards are being cruelly and inequitably slashed by higher food prices. It equally ignores others on fixed incomes—the dependent mother of the soldier boy with her scant \$37 per month, the widow living off the proceeds of her husband's insurance policy, and the old-age pensioner.

These millions are entitled to be protected against skyrocketing food costs. It is my duty to guard them against the ravages of inflation—and I shall guard them unless the Congress shackles my hand.

These unorganized millions must not become the forgotten men and women of our war economy.

The plea has been urged on behalf of industrial workers that if the cost of living is not cut to September, or even to May 1942, levels, wage rates should be raised to compensate. But to raise wages because living costs have risen will be at best only a temporary solution. Raising wage rates increases the cost of production, both of war goods and of the goods whose prices make up the cost of living. It also increases consumers' spending power. The combined effect of increased spending power and increased production cost is inevitably a further rise in the cost of living; and at the same time the money cost of the war increases. In short, to give people more money because prices are rising does not cure the evil, but makes it worse. This is precisely what is meant by the inflationary spiral.

To prevent this spiral of rising costs and prices we must hold firm to the stabilization of wage rates. But to do this, we must assure workers that they can get a fair share of available goods on

legitimate markets, and at prices "so far as practicable on the basis of the levels which existed on September 15," as prescribed by the act of October 2.

Whatever theoretical choices may conceivably be open to us, practically we will have only two. We must keep the cost of living more nearly in line with the level prescribed in the law or we will not be able to hold the wage line or protect the millions of men and women living on low salaries and small fixed incomes. If wages rise, the cost of living will not stand where it is; it will go up and the inflationary spiral will gain strength.

I do not think that a reduction of all living costs or wage increases to the September level is practicable. We all must be prepared in total war to accept a substantial cut in our accustomed standards of living. But we must definitely stop the rising trend of living and push back the price to consumers of important key commodities in the family market basket.

When I talk of important key commodities I do not mean fur coats, or tailored suits or caviar. I mean the necessities of life, things like bread, milk, butter, sugar, coffee, ordinary meats, fats, and canned foods, things that plain working folk must have. We must not only keep the prices of these necessities down, but we must increase, when we can, the supply which helps relieve the pressures for higher prices and helps reduce the temptations of the black markets. With the improvement in the war against the submarine we may even be able soon to remove sugar and possibly later, coffee from the ration list. But we cannot hope in a period of total war to increase the supply of all necessities sufficiently to relieve the price situation.

To reduce the price of key necessities or even to hold some of them at present levels, we either will have to reduce producers' prices and distributors' margins or we will have to use subsidies.

That does not mean that we can achieve stabilization by subsidies alone, without firm price and wage policies, adequate fiscal measures, and positive programs to assure that adequate supplies of essentials at legitimate prices will be available in the legitimate markets.

But the experience of other countries like Canada and England does demonstrate that limited subsidies can and must be effectively used as a key weapon to control inflation.

The alternative to such action would be more costly to the Treasury and to the people. If we do not take the course of action I have suggested, we shall be charged with having failed to stabilize the cost of living, as the act of October 2, 1942, directed us to do, and there will be increasing demands from the workers of the Nation for a drastic modification of the Little Steel formula.

If a 10-percent over-all increase in wages should occur as a consequence of our failure to stabilize living costs, that added cost of labor alone would cause an increase of not less than 4½ percent in the general level of prices. That would increase our annual war costs approximately \$4,500,000,000. For we are spend-

ing one hundred billion per annum for war and every rise of 1 percent in the prices the Government pays, adds approximately one billion to the Government's war expenditures. I say approximately because some of the expenditures would not automatically be increased. A 10-percent wage increase would, moreover, increase the cost of living by at least 4½ percent and would cost consumers at least \$4,000,000,000 a year.

And, what is more, if we should have to abandon the hold-the-line order and allow wages to rise we would have no assurance that we would be able to hold living costs stable even at a higher level. Rising costs would continue to press against the price and wage levels and these would be forced higher still. Rising wages would add to the excess purchasing power, and an enlarged inflationary gap would make the fiscal task of absorbing excess purchasing power by higher taxes and enforced savings unmanageable. Those with meager wages and small fixed incomes would be ground below the margin of fair subsistence.

I need not tell the Congress the devastation which will be wrought, far and wide, on the farmer, the worker, and the businessman, if the fires of inflation ever get out of control. The farmers will never forget the deflation following the last war and the sufferings they then endured.

To protect the farmer it is not necessary to oppress the consumer. The way to protect the farmer is to authorize the Commodity Credit Corporation to pay the farmer what he should get for his products and to sell those products at a loss if need be to keep the cost of living down. That may be a subsidy, but that is the only way to avoid inflation which will be ruinous to farmer and consumer alike. If we prohibit subsidies and allow the cost of living to rise, as this bill does, whatever support prices we make to the farmer will be nullified by the inflation of all prices and all costs.

I have just been informed that the preliminary figures indicate that between May 15 and June 15 there was a decrease of 1 percent in food prices. This is the first decline in the food price index in more than a year. This bill would wipe out that decline and start anew a rise in the cost of living. I cannot by signing it share the responsibility for that rise and its disastrous consequences.

Those in command of our war economy like those in command of our armies must be endowed with adequate authority to meet emergency situations as they arise.

Subsidies to help hold down living costs and at the same time protect the farmer should be applied only in strictly limited and clearly defined circumstances. Such subsidies should be confined to goods essential to the maintenance of a reasonable wartime standard of living for the people. Wherever the grant of subsidies at flat rates would involve gross windfall profits for low-cost producers, processors, or distributors, they should be granted on a differential basis to cover the special burdens of small business and high-cost producers.

I do not intend to permit farm prices and farm incomes to be depressed. Today the aggregate net income of farmers like that of the workers is larger than ever before. As a result of my recommendation of September 7, 1942, that a floor be established for farm prices, Congress by the act of October 2, 1942, guaranteed to farmers 90 percent of parity on most farm products during the war and for at least 2 crop years thereafter—a guaranty given to no other group. If further payments to farmers are necessary to enable them to make the added outlays required to increase the production of war crops, those payments should and will be made.

But unless the Congress leaves with the executive branch the means of seeing to it that further increases in producers' prices do not increase the cost of living, the executive branch cannot accept responsibility for holding the wage line or for stopping the inflationary spiral.

If I am to hold the line, my hands must be left reasonably free to hold it even-handedly.

In this task of saving our free economy, Congress and the Executive must work together, as a team. H. R. 2869 marks a definite retreat from economic stability toward uncontrolled inflation. That retreat cannot be made with my approval.

I sincerely hope that if the Congress cannot agree before its recess on legislation which will remove the serious defects in this bill, it will pass a joint resolution continuing the life of the Commodity Credit Corporation and providing the increase in borrowing power until the Congress has time to agree upon an appropriate measure. The officials of the executive departments will welcome an opportunity to furnish information and be of assistance.

I return the bill without my signature.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 2, 1943.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. STEAGALL. Mr. Speaker, I move that the message of the President and the bill be referred to the Committee on Banking and Currency.

Mr. Speaker, it is not my purpose to enter into an extended discussion of the matter before the House. Let me say that any layman or lawyer who will read section 2 of the first price-control bill will readily understand that the purpose of that section was to authorize the Price Administrator to pay subsidies or to buy and sell, use, and store commodities for one purpose—and one purpose only—to secure an adequate supply of commodities for the war program. It was not the intention of Congress—I think I speak for those who are responsible for the legislation—that that section should be used as it has been used or for the purpose of preventing inflation.

Mr. Speaker, I do not desire to pursue this discussion further. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Alabama [Mr. STEAGALL] that the message and the bill be referred to the Committee on Banking and Currency.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRADLEY of Pennsylvania. What will be the situation with respect to the veto message if this motion does not carry?

The SPEAKER. If the motion is rejected, the question will then be on whether or not the House will on reconsideration pass the bill, the objections of the President to the contrary notwithstanding.

The question is on the motion.

The question was taken; and there were—yeas 184, nays 200, not voting 47, as follows:

[Roll No. 128]

YEAS—184

Abernethy	Gore	O'Toole
Allen, La.	Gorski	Outland
Anderson,	Gossett	Pace
N. Mex.	Granger	Patman
Baldwin, Md.	Grant, Ala.	Patton
Bates, Ky.	Gregory	Peterson, Fla.
Beckworth	Hagen	Peterson, Ga.
Bloom	Hare	Pfeifer
Bonner	Harless, Ariz.	Poage
Boykin	Harris, Ark.	Price
Bradley, Pa.	Harris, Va.	Priest
Brooks	Hart	Rabaut
Brown, Ga.	Hays	Ramspeck
Bryson	Heffernan	Randolph
Buckley	Hendricks	Rankin
Bulwinkle	Hobbs	Richards
Burch, Va.	Hoch	Rivers
Burchill, N. Y.	Jackson	Robertson
Burdick	Jarman	Robinson, Utah
Burgin	Johnson,	Rogers, Calif.
Byrne	Luther A.	Rowan
Camp	Johnson,	Sabbath
Cannon, Fla.	Lyndon B.	Sadowski
Celler	Johnson, Okla.	Sasser
Chapman	Kee	Satterfield
Clark	Kefauver	Scanlon
Coffee	Kelley	Schuetz
Colmer	Keogh	Sheppard
Cooley	Kerr	Sikes
Cooper	Kilday	Slaughter
Costello	Kirwan	Smith, Va.
Courtney	Klein	Smith, W. Va.
Cox	LaFollette	Snyder
Cravens	Lane	Somers, N.Y.
Creal	Lanham	Sparkman
Crosser	Larcade	Spence
Cullen	Lea	Starnes, Ala.
Curley	Lemke	Steagall
D'Alesandro	Ludlow	Sullivan
Davis	Lynch	Sumners, Tex.
Dawson	McCord	Tarver
Delaney	McCormack	Thomas, Tex.
Dickstein	McGranery	Thomason
Dies	McMillan	Vincent, Ky.
Dilweg	McMurray	Voorhis, Calif.
Dingell	Madden	Walter
Domeneaux	Magnuson	Ward
Doughton	Mahon	Wasielewski
Durham	Mansfield,	Weaver
Eberharter	Mont.	Weiss
Elliott	Marcantonio	Welch
Ellison, Md.	May	Wene
Feighan	Millis	Whelchel, Ga.
Fernandez	Monroney	White
Fisher	Murdoch	Whitten
Flannagan	Murphy	Whittington
Fogarty	Murray, Tenn.	Wickersham
Folger	Myers	Winstead
Forand	Nichols	Woodrum, Va.
Fulbright	Norrell	Worley
Gavagan	O'Brien, Mich.	Wright
Gibson	O'Connor	Zimmerman
Gordon	O'Neal	

NAYS—200

Allen, Ill.	Gilchrist	Miller, Nebr.
Andersen,	Gillette	Miller, Pa.
H. Carl	Gille	Monkiewicz
Anderson, Calif.	Goodwin	Morrison, La.
Andresen,	Graham	Mott
August H.	Grant, Ind.	Mruk
Andrews	Griffiths	Mundt
Angell	Gross	Murray, Wis.
Arends	Gwynne	Newsome
Arnold	Hale	Norman
Auchincloss	Hall	O'Brien, N. Y.
Baldwin, N. Y.	Leonard W.	O'Konski
Barrett	Halleck	Philbin
Bates, Mass.	Hancock	Pittenger
Beall	Hartley	Ploeser
Bell	Heldinger	Poulson
Bender	Herter	Powers
Bennett, Mich.	Hess	Ramey
Bennett, Mo.	Hill	Reece, Tenn.
Bishop	Hinshaw	Reed, Ill.
Blackney	Hoeven	Reed, N. Y.
Bland	Hoffman	Rees, Kans.
Bolton	Holmes, Mass.	Rizley
Boren	Holmes, Wash.	Rockwell
Brehm	Hope	Rodgers, Pa.
Brown, Ohio	Horan	Rogers, Mass.
Buffett	Howell	Rohrbough
Busbey	Hull	Rolph
Butler	Jeffrey	Sauthoff
Canfield	Jenkins	Schiffler
Cannon, Mo.	Jennings	Schwabe
Carlson, Kans.	Jensen	Scott
Carson, Ohio	Johnson,	Short
Carter	Anton J.	Simpson, Ill.
Case	Johnson,	Simpson, Pa.
Chenoweth	Calvin D.	Smith, Maine
Chipperfield	Johnson, Ind.	Smith, Ohio
Church	Johnson,	Smith, Wis.
Clason	J. Leroy	Springer
Clevenger	Jones	Stanley
Cole, Mo.	Jonkman	Stearns, N. H.
Cole, N. Y.	Judd	Stefan
Compton	Kean	Stewart
Crawford	Kearney	Stuckman
Cunningham	Keefe	Sumner, Ill.
Curtis	Kinzer	Sundstrom
Day	Kieberg	Taber
Dewey	Knutson	Talbot
Dirksen	Kunkel	Talle
Disney	Lambertson	Taylor
Ditter	Landis	Thomas, N. J.
Dondero	LeCompte	Tibbott
Douglas	LeFevre	Towe
Dworshak	Lewis	TROUTMAN
Eaton	Luce	Vorys, Ohio
Ellis	McCowan	Vursell
Ellsworth	McGehee	Wadsworth
Elmer	McGregor	Welchel, Ohio
Elston, Ohio	McKenzie	West
Engel	McLean	Wheat
Fellows	McWilliams	Wigglesworth
Fenton	Maas	Willey
Fish	Manasco	Wilson
Gale	Martin, Iowa	Winter
Gamble	Martin, Mass.	Wolcott
Gathings	Marrow	Wolfenden, Pa.
Gavin	Michener	Wolverton, N. J.
Gearhart	Miller, Conn.	Woodruff, Mich.
Gerlach	Miller, Mo.	

NOT VOTING—47

Barden	Harness, Ind.	O'Leary
Barry	Hébert	Phillips
Bradley, Mich.	Holifield	Plumley
Capozzoli	Izac	Pracht
Cochran	Johnson, Ward	Robison, Ky.
Culkin	Kennedy	Rowe
Drewry	Kilburn	Russell
Fay	King	Shafer
Fitzpatrick	Lesinski	Sheridan
Ford	Maloney	Stevenson
Fulmer	Mansfield, Tex.	Tolan
Furlong	Mason	Treadway
Gallagher	Merritt	Van Zandt
Gifford	Morrison, N. C.	Vinson, Ga.
Green	Norton	
Hall,	O'Brien, Ill.	
Edwin Arthur	O'Hara	

So the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mrs. Norton for, with Mr. Gallagher against.
Mr. Merritt for, with Mr. Plumley against.
Mr. Vinson of Georgia for, with Mr. Shafer against.

Mr. Fay for, with Mr. Robison of Kentucky against.

Mr. Fitzpatrick for, with Mr. Phillips against.

Mr. Ford for, with Mr. O'Hara against.

Mr. Barry for, with Mr. Kilburn against.

Mr. Sheridan for, with Mr. Gifford against.

Mr. Capozzoli for, with Mr. Treadway against.

Mr. Kennedy for, with Mr. Pracht against.

Mr. Furlong for, with Mr. Edwin Arthur Hall against.

Mr. Drewry for, with Mr. Harness of Indiana against.

Mr. Mansfield of Texas for, with Mr. Bradley of Michigan against.

Mr. Lesinski for, with Mr. Mason against.

Mr. Holifield for, with Mr. Ward Johnson against.

General pairs:

Mr. Cochran with Mr. Rowe.

Mr. Hébert with Mr. Stevenson.

Mr. O'Brien of Illinois with Mr. Culkin.

Mr. Tolan with Mr. Van Zandt.

Mr. COX changed his vote from "nay" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is, Will the House on reconsideration agree to pass the bill, the objections of the President to the contrary notwithstanding?

Mr. STEAGALL. Mr. Speaker, this measure has had as thorough study by the Congress as any measure coming within my knowledge in recent times. It was approved by the House, and by the Senate, and, after long study, in conference.

Mr. MARCANTONIO. Mr. Speaker, I rise to a point of order.

Mr. SABATH. Mr. Speaker, I rise to a point of order.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Has the gentleman from Alabama the right to address the House; and if so, has anyone else the right to have the same amount of time?

The SPEAKER. The gentleman from Alabama is recognized and controls 1 hour. He is privileged to move the previous question at any time.

Mr. STEAGALL. Mr. Speaker, in deference to the wishes of the House, and to the votes in the House, and in the interest of expediency, I move the previous question.

The previous question was ordered.

The SPEAKER. The Clerk will call the roll.

The question was taken; and there were—yeas 228, nays 154, not voting 49, as follows:

[Roll No. 129]

YEAS—228

Abernethy	Beall	Canfield
Allen, Ill.	Bell	Cannon, Fla.
Andersen,	Bender	Cannon, Mo.
H. Carl	Bennett, Mich.	Carlson, Kans.
Anderson, Calif.	Bennett, Mo.	Carson, Ohio
Andresen,	Bishop	Case
August H.	Blackney	Chenoweth
Andrews	Bolton	Chipperfield
Angell	Boren	Clason
Arends	Boykin	Clevenger
Arnold	Brehm	Cole, Mo.
Auchincloss	Brown, Ga.	Cole, N. Y.
Baldwin, Md.	Brown, Ohio	Colmer
Baldwin, N.Y.	Buffett	Compton
Barrett	Busbey	Costello
Bates, Mass.	Butler	

Cox	Jeffrey	Ploeser
Crawford	Jenkins	Poage
Cunningham	Jennings	Poulson
Curtis	Jensen	Ramey
Day	Johnson,	Rankin
Dewey	Anton J.	Reece, Tenn.
Dirksen	Johnson,	Reed, Ill.
Disney	Calvin D.	Reed, N. Y.
Ditter	Johnson, Ind.	Rees, Kans.
Domengeaux	Johnson,	Rizley
Dondero	J. Leroy	Rockwell
Douglas	Johnson,	Rodgers, Pa.
Dworshak	Luther A.	Rogers, Mass.
Eaton	Jones	Rohrbough
Elliott	Jonkman	Rolph
Ellis	Judd	Sauthoff
Ellsworth	Kean	Schiffler
Elmer	Kearney	Schwabe
Elston, Ohio	Keefe	Scott
Engel	Kilday	Simpson, Ill.
Fellows	Kinzer	Simpson, Pa.
Fenton	Kleberg	Slaughter
Fernandez	Knutson	Smith, Maine
Fish	Kunkel	Smith, Ohio
Fisher	LaFollette	Smith, Wis.
Gale	Lambertson	Springer
Gamble	Landis	Stanley
Gathings	Lanham	Starnes, Ala.
Gavin	Lea	Steagall
Gearhart	LeCompte	Stearns, N. H.
Gerlach	Lenke	Stefan
Glichrist	Lewis	Stewart
Gillette	Luce	Stockman
Gillie	McCowan	Sumner, Ill.
Goodwin	McGehee	Sumners, Tex.
Gossett	McGregor	Sundstrom
Graham	McKenzie	Taber
Grant, Ala.	McLean	Talbot
Grant, Ind.	McWilliams	Talle
Griffiths	Maas	Taylor
Gross	Manasco	Thomas, N. J.
Gwynne	Martin, Iowa	Tibbott
Hagen	Martin, Mass.	Towe
Hale	Marrow	Troutman
Hall	Michener	Vorsy, Ohio
Leonard W.	Miller, Mo.	Vursell
Halleck	Miller, Nebr.	Wadsworth
Hancock	Miller Pa.	Welch, Ohio
Hartley	Mills	West
Heidinger	Monkiewicz	Wheat
Herter	Morrison, La.	Whelchel, Ga.
Hess	Mott	Whitten
Hill	Mruk	Whittington
Hinshaw	Mundt	Wigglesworth
Hoeven	Murray, Wis.	Willey
Hoffman	Newsome	Wilson
Holmes, Mass.	Norman	Winstead
Holmes, Wash.	O'Brien, N. Y.	Winter
Hope	O'Connor	Wolcott
Horan	O'Konski	Wolfenden, Pa.
Howell	Peterson, Ga.	Woodruff, Mich.
Hull	Phillips	
Jarman	Pittenger	

NAYS—154

Allen, La.	Dilweg	Kirwan
Anderson,	Dingell	Klein
N. Mex.	Doughton	Lane
Bates, Ky.	Durham	Larcade
Beckworth	Eberharter	Ludlow
Bland	Ellison, Md.	Lynch
Bloom	Felghan	McCord
Bonner	Flannagan	McCormack
Bradley, Pa.	Fogarty	McGranery
Brooks	Folger	McMillan
Bryson	Forand	McMurray
Buckley	Fulbright	Madden
Bulwinkle	Gavagan	Magnuson
Burch, Va.	Gibson	Mahon
Burchill, N. Y.	Gordon	Mansfield,
Burdick	Gore	Mont.
Burgin	Gorski	Marcantonio
Byrne	Granger	May
Camp	Gregory	Miller, Conn.
Carter	Hare	Monroney
Celler	Harless, Ariz.	Murdock
Chapman	Harris, Ark.	Murphy
Clark	Harris, Va.	Murray, Tenn.
Coffee	Hart	Myers
Cooley	Hays	Nichols
Cooper	Heffernan	Norrell
Courtney	Hendricks	O'Brien, Mich.
Cravens	Hobbs	O'Neal
Creal	Hoch	O'Toole
Crosser	Jackson	Outland
Cullen	Johnson,	Pace
Curley	Lyndon B.	Patman
D'Alessandro	Johnson, Okla.	Patton
Davis	Kee	Peterson, Fla.
Dawson	Kefauver	Pfeifer
Delaney	Kelley	Powers
Dickstein	Keogh	Price
Dies	Kerr	Priest

Rabaut	Sheppard	Ward
Ramspeck	Slkes	Weslelewski
Randolph	Smith, Va.	Weaver
Richards	Smith, W. Va.	Weiss
Rivers	Snyder	Welch
Robertson	Somers, N. Y.	Wene
Robinson, Utah	Sparkman	White
Rogers, Calif.	Spence	Wickersham
Rowan	Sullivan	Wolverton, N. J.
Sabath	Tarver	Woodrum, Va.
Sadowski	Thomas, Tex.	Worley
Sasser	Thomason	Wright
Satterfield	Vincent, Ky.	Zimmerman
Scanlon	Voorhis, Calif.	
Schuetz	Walter	

NOT VOTING—49

Barden	Harness, Ind.	O'Hara
Barry	Hébert	O'Leary
Bradley, Mich.	Hollfield	Phillips
Capozzoli	Izac	Plumley
Cochran	Johnson, Ward	Pracht
Culkin	Kennedy	Robson, Ky.
Drewry	Kilburn	Rowe
Fay	King	Russell
Fitzpatrick	LeFevre	Shafer
Ford	Lesinski	Sheridan
Fulmer	Maloney	Short
Furlong	Mansfield, Tex.	Stevenson
Gallagher	Mason	Tolan
Gifford	Merritt	Treadway
Green	Morrison, N. C.	Van Zandt
Hall	Norton	Vinson, Ga.
Edwin Arthur O'Brien, Ill.		

So (two-thirds not having voted in favor thereof) the bill was rejected.

The Clerk announced the following pairs:

On this vote.

Mr. Short and Mr. Shafer for, with Mr. Drewry against.

Mr. Gallagher and Mr. Plumley for, with Mrs. Norton against.

Mr. Phillips and Mr. O'Hara for, with Mr. Fitzpatrick against.

Mr. Kilburn and Mr. Mason for, with Mr. Sheridan against.

Mr. Gifford and Mr. Treadway for, with Mr. Ford against.

Mr. Stevenson and Mr. Robson of Kentucky for, with Mr. Kennedy against.

Mr. Pracht and Mr. Edwin Arthur Hall for, with Mr. Fay against.

Mr. Bradley of Michigan and Mr. LeFevre for, with Mr. Merritt against.

General pairs:

Mr. Hollfield with Mr. Ward Johnson.

Mr. Barry with Mr. Rowe.

Mr. Vinson of Georgia with Mr. Harness of Indiana.

Mr. Capozzoli with Mr. Van Zandt.

Mr. Cochran with Mr. Culkin.

Mr. FISHER changed his vote from "no" to "aye."

Mr. McGEHEE changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill together with the accompanying papers is referred to the Committee on Banking and Currency, and ordered printed, and the Clerk will notify the Senate of the action of the House.

EMERGENCY FLOOD-CONTROL WORK—CONFERENCE REPORT

Mr. WHITTINGTON. Mr. Speaker, I present a conference report and statement upon the bill (S. 1134) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, for printing under the rule.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed,

without amendment, a joint resolution of the House of the following title:

H. J. Res. 144. Joint resolution relating to the marketing of burley and flue-cured tobacco under the Agricultural Adjustment Act of 1938, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2714) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1943, and for prior fiscal years, and for other purposes."

The message also announced that the Senate further insists on its amendment No. 61 to said bill.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1944—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Speaker, the amendment under consideration is an item that originally had a Budget estimate of \$150,000 when we brought the Interior bill into the House on May 20 this year. In the meantime a supplemental estimate of \$150,000 was furnished, which the House did not have before it to consider. Now the Budget estimate for this item is \$300,000. The Senate allowed this Budget estimate and \$2,450,000 for good measure, or eight times more than the Budget estimate. I say without fear of contradiction that the Bureau of Mines never had a better friend than this subcommittee of the Committee on Appropriations. There was never any division of objective throughout the consideration of this bill on any item. The entire subcommittee on both sides of the aisle had only one objective before them, and that was, How could we help with funds absolutely necessary to carry on the war effort, and uphold the Army, Navy, and marines with the necessary tools and equipment to do the job, and fulfill the requirements for food for victory?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JONES. I have only 3 minutes. There is a Budget estimate of \$300,000. Your conferees have measured and will approach the differences between the House and the Senate with a constructive point of view to meet the demand of the war on the home and battle fronts. I want to say that I stand ready and willing to raise my sights above the Budget estimate. I yield to no man as far as being economy-minded is concerned, and the desire to save money.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JONES. I cannot yield. I do not intend to be parsimonious with what the Bureau of Mines needs. I think we should have orderly procedure. I am willing to go considerably above the amount allowed by the Bureau of the Budget. I think, however, that we should set an amount that they can spend wisely and judiciously in connection with all of the other Bureau of

Mines items which will demand their manpower, effort, and resources. With this approach that I, as one of the most economy-minded men on the committee, am willing to give them, I am sure the House will trust this subcommittee, a friend of the Bureau of Mines, to do an adequate job in conferring with Senate conferees to reach a satisfactory conclusion on this amendment that will help to win the war and feed our Army, Navy, Marines, and our people.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I now yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I have listened with interest to the observations of the gentleman from Ohio [Mr. JONES], and I am sorry that I disagree with his viewpoint in connection with the proposal offered by the gentleman from North Carolina [Mr. COOLEY]. I ask him, and I wish he would answer this question, What is the worth-while program in connection with the production and development of strategic materials, which the Bureau of Mines or the Federal Government could accomplish with something less than \$150,000?

What effective exploration for critical minerals could be developed? I believe it would be so meager as to be absolutely nullified from the standpoint of valuable results.

I call attention of the House to the Appendix of the RECORD, volume 88, page A3182, in which I set forth the picture as I saw it from the standpoint of the 18 strategic or critical war materials, which are found in the United States. I believe the Members from the various States might be interested in these deposits and their locations.

The State of California has 9 of these strategic or critical materials; the State of Nevada has 6 of these needed minerals; North Carolina has 6; Arizona, 7; Virginia, 5; Colorado, 5; New York, 4; Idaho, 4; Montana, 3; Tennessee, 3; Utah, 3; Oregon, 3; New Mexico, 3; Arkansas, 3; Maryland, 3; Ohio, 2; Illinois, 2; Washington, 2; Georgia, 2; New Hampshire, 2; South Dakota, 2; Maine, 2. In the States of Nebraska, Vermont, Minnesota, Oklahoma, New Jersey, Wyoming, Kentucky, Rhode Island, Alabama, Massachusetts, West Virginia, Texas, Connecticut, South Carolina, Pennsylvania, and Missouri there is at least one of these strategic materials which we need to explore and possibly develop.

The gentleman from Ohio [Mr. JONES] did not reply to my query as to what sort of development or production program, taking the over-all picture of the United States as a whole, could be soundly gone into with the insufficient fund of less than \$150,000. I believe that he feels we must do the task on a much more expanded scale.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to my friend.

Mr. COOLEY. I would like to ask the gentleman from Ohio [Mr. JONES], if the gentleman from West Virginia will permit, if when this \$149,000 was agreed upon by the House committee it was not the intention at that time to conduct a

very limited investigation on western steel production, and if the House committee has not agreed to strike out the word "western" and to extend the investigation throughout the country, but at the same time has refused to provide adequate funds to do the job?

Mr. JONES. When the House had it there was only a Budget estimate of \$150,000. Since that time a supplementary estimate for \$150,000 came up since the hearing and since we considered it on the floor. So that we did not have an opportunity to consider it.

Mr. COOLEY. But it is a fact that the broader program, calling for \$750,000, has never been submitted to the Budget.

Mr. JONES. Oh, yes; \$150,000 was submitted to the Budget and allowed.

Mr. COOLEY. I am talking about \$2,750,000.

Mr. RANDOLPH. Mr. Speaker, I regretfully decline to yield for further colloquy between the two gentlemen.

The geologists have found deposits of 18 critical and strategic minerals within the continental limits of the United States, as follows:

Aluminum: New York, Tennessee, and North Carolina.

Antimony: Idaho, California, Nebraska.

Asbestos: Vermont, Arizona, Maryland.

Cadmium: Byproduct of zinc. Produced in plants of Colorado, Pennsylvania, Illinois, Montana, Maryland, Ohio, Oklahoma, Idaho, New Jersey, Utah.

Cryolite: Ivigtut, Greenland.

Chromium: California, Oregon, Montana, Washington, Wyoming; also Kenai Peninsula in Alaska.

Fluorspar: Illinois, Kentucky, New Mexico, Nevada, Arizona, Colorado.

Graphite: New York, Nevada, Rhode Island, Georgia.

Iodine: California.

Manganese: Low grade, Alabama, California, Colorado, Idaho, Missouri, Nevada, New Mexico; high grade, Alabama, Arkansas, California, Colorado, Georgia, Idaho, Massachusetts, Minnesota, Montana, New Mexico, North Carolina, Tennessee, Utah, Virginia.

Mercury: Arkansas, California, Idaho, Nevada, Oregon, Texas.

Mica: North Carolina, New Hampshire, Connecticut, South Dakota, Maine, Virginia, New York.

Nickel: Colorado, North Carolina, Nevada.

Platinum: California, Oregon, also Alaska.

Quartz crystal: New Hampshire, Arizona, California, North Carolina, Virginia, Maine, Maryland, New York, Ohio, Tennessee.

Tin: South Dakota, New Mexico, Virginia, North Carolina.

Titanium: Virginia, Arkansas, California.

Tungsten: Nevada, Arkansas, California.

Vanadium: Arizona, Colorado, Utah.

One of the sad commentaries on our preparation of America for the world struggle in which we are now engaged, was the fact that we had failed to develop a synthetic process for making rubber and gasoline and these other sub-

stitutes which we find we should have furthered in order to more successfully prosecute the war on the home front, as well as the fighting zones. Money spent on research is well spent and excellent dividends are paid, far beyond the extent involved in the initial money. Eventually Germany will be the loser in this conflict, but we find her advanced in some items over the United States in the fashion in which she has processed gasoline and rubber and other materials. Necessity caused her to dig deep. Perhaps we thought our abundance would always take care of our needs.

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield to the gentleman from Virginia [Mr. ROBERTSON] such time as he may desire.

EXTENSION OF REMARKS

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therewith an excerpt from the testimony of James A. Emory before the Ways and Means Committee on the Bituminous Coal Act.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1944—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, I rise in support of the motion made by my colleague from North Carolina [Mr. COOLEY] primarily because I am hopeful that by a survey of this character, which cannot be adequate unless the gentleman's motion is adopted, there may be additional information secured about the extent of mineral deposits, notably of iron ore deposits throughout the country.

It was only a few weeks ago that Mr. Batchelder, of the War Production Board, told the Open Hearth Association that there never would be enough steel to meet our war needs. Every claimant agency has been cut about 30 percent under its own estimate of its requirements as far as the consumption of steel is concerned.

Mr. JENSEN. Will the gentleman yield?

Mr. VOORHIS of California. I think the gentleman is going to anticipate some of the things I am about to say if I have time.

Mr. JENSEN. I just wanted to ask the gentleman if he does not realize that no matter how much we appropriated, even if we appropriated a billion dollars, it would not help the situation any if they did not take the lid off—

Mr. VOORHIS of California. I heard what the gentleman said earlier in the day, and I think he is quite right. I think my remarks will bolster his position if I can go ahead.

The job that we have to do—and when I say "we" I mean the Congress, the War Production Board, and everybody else—is first to produce enough steel to win

the war. Second, and only second, to worry about how it is going to be distributed afterward.

I am fearful, however, that certain counsels have prevailed within the W. P. B. which have put first concern on the possibility of an excess of post-war capacity of production in this country instead of on the maximum production at the present time when it is so desperately needed.

We ought not to have to reduce the demands for steel for agriculture or the Army or the Navy if it is possible to get a supply large enough to meet these demands. I believe it can be made possible. Personally, I believe that the possibility of production is much more and that we could achieve a much larger production than has heretofore appeared.

There has been insistent and stubborn resistance, in my judgment, to the expansion and output of raw materials in the metals field, and notably in steel. I believe the basic reason for this steel shortage is the failure to expand and decentralize the steel industry as much as it could be done. We have gone along feeling that the collection of scrap would meet the demands for making of steel. I hope it will. But the industry at present can only use high-grade scrap, and it is a question whether the supply will be enough.

Now, sponge iron can be made, and I am not talking as a metallurgist now, but it is a proven fact that it can be made from low-grade iron ore, and it can be used on a tremendous scale under the Anderson process, and is being used right now by our enemy, Japan, at this moment, which has a huge plant in Manchuria turning out a million tons of steel per year by the use of sponge iron. Sponge iron is a substitute for scrap.

Some time ago, before Pearl Harbor, we were told that we did not need a capacity in this country of more than 90,000,000 tons. This was in the Gano Dunn report. But soon after Pearl Harbor the War Production Board came along and said that we needed an additional 10,000,000-ton capacity, and we were going to get it over a 2-, 3-, or 4-year period. On July 24, 1942, the steel branch of the War Production Board came out and said they had underestimated and that we would need still more capacity. But we just do not have it. The key to the situation, in my judgment, is to put an end to the resistance to expansion of the sponge-iron industry and to expansion of steel production therefrom. The sponge-iron industry can go ahead and develop and produce throughout peacetime, and if it did it would mean the decentralization of the steel industry, which would go into many parts of this country, especially the west coast. That is not what the Steel Trust wants. But it would be a very good thing for the United States. In our Pacific coast section of the country we should have had a steel industry developed years ago and would have but for the opposition of entrenched interests.

Now just to summarize: There is grave danger of at least a shortage of scrap; the Mesabi Range iron is not going to

last forever; sponge iron can be substituted for scrap, and by this process low-grade ores can be used. There has been opposition to expansion of steel production, which might be partially removed at least by a survey of how much can be provided by the use of low-grade iron-ore deposits which exist in many parts of the country.

Mr. Speaker, I hope very much the motion will prevail.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield 7 minutes to the gentleman from Alabama [Mr. BOYKIN].

Mr. BOYKIN. Mr. Speaker, I speak in favor of the Senate amendments, on the basis of our committee investigation into the steel-shortage situation of which I have the honor to be chairman.

For the past 10 months we have been investigating several phases of this tremendous situation. Our work at this point has only begun. Facts of great importance, however, have already been brought to light. This information was summarized in our interim report to this Congress on December 16, 1942, from which I quote:

Your committee has found that the supply of steel is woefully short of the requirements, as set forth each month by the service agencies (i. e., the Maritime Shipbuilding, the Navy, and the War Department). Notwithstanding the many drastic War Production Board limitation orders issued since Pearl Harbor—each of which prohibit the use of steel in the manufacture of hundreds of items—the shortage still persists.

The magnitude of this shortage is so serious that any public statement of actual figures is impossible at this time, for such information would be of real aid to the enemy.

During the 6 months of your inquiry the supply has never come even close to meeting the demand for steel, as indicated by the requirements which the service agencies set forth is necessary for their monthly production needs.

Instead, all three service agencies are regularly compelled to curtail their schedules and war production and to pare down their requirements figure to the total amount of steel which the steel mills are producing.

Recently the War Production Board has come forth in published statements which reveal in tons the magnitude of the shortage under which our war-production effort must labor. I refer to the W. P. B. release No. 76104, printed in the RECORD just yesterday by my colleague the gentleman from North Carolina [Mr. COOLEY]. This release clearly indicates that for the third quarter these agencies requested 21,000,000 tons. The industry, however, is capable of turning out but 15,000,000 tons. What that means on an annual basis is a shortage above 20,000,000 tons. This shortage of steel is at present being distributed over each of the agencies, so that each must be "cut back." Each is compelled to carry on its production effort with less steel than it requires; for example, the W. P. B. states:

First. The War Department for July, August, and September of this year will have to be cut back 14 percent.

Second. The Navy Department during the same period is cut back 20 percent.

Third. Maritime shipbuilding is cut back 22 percent.

Fourth. Lend-Lease Administration requests are cut back 32 percent.

Fifth. Office of Defense Transportation requests, 40 percent.

I am not able to confirm yesterday's report that the over-all allowance for farm machinery will be 20 percent under the 1940-41 level.

To date, the Axis has set no date for the ending of this war. The United Nations intend carrying on for an unconditional surrender. High-ranking officials indicate we are in for a long war and that there is no ground for the current optimistic talk about being in a comfortable position. In fact, we should have been stock-piling this basic metal 5 and 6 years ago, when the steel furnaces were operating at 50 percent of capacity.

As there is no telling how long the war will last, or what form our changing military strategy will take, our committee members would rather play safe. We see no basis for the overconfidence that grows from inspired publicity.

Fortunately there is good iron ore in 26 States of the Union. But in the last two decades the small independent iron and steel producing companies have been crowded out of business, and the mines have closed down. From time to time some independent fellow has proposed to build a small plant to exploit local ores. But then he has found himself up against this situation; if he is to borrow money and attract investment he has to have at his command an assured supply of ore of a certain quality that will last for 20 to 40 years. He needs to be certain that he has selected a site for operations where adequate supply is accessible.

Satisfactory and complete information, such as cautious investors require, is hard to get. The bigger companies already have this valuable information but they are keeping it under their hats. What is needed is responsible and complete data on available tonnage and complete analyses of quality made by impartial engineers and freely available to all who may require it.

Only the Government is in a position to provide this information. The United States Bureau of Mines has some experience in doing this iron exploration work, and it can contract out as much of it as may be necessary to accomplish the work expeditiously.

If small plants set up for use during the war are to be of long-term value in the years of peace to come they will need beforehand the best information that can be given by impartial experts. First know you are right, then go ahead—that is a motto that fits this situation. And we want to be in a position to go ahead good and strong on this proposition.

Mr. BENDER. Mr. Speaker, will the gentleman from Alabama advise us how much he feels is necessary in order to carry out his recommendation?

Mr. BOYKIN. Mr. Speaker, I think we need exactly what the Senate has already approved, \$2,750,000. The Senate voted for that amount. Governors,

Departments of Conservation, and other bodies and officials concerned with developing these resources in the 26 States, have requested this help, and I think all the Congressmen and Senators, from these 26 States favor it. And we have had about 8 or 10 governors up here who have told us that they could get the investigation under way, and that they could get private capital to develop the wonderful resources of these States as a part of our entire war effort.

Mr. ALLEN of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. BOYKIN. I yield to the gentleman from Louisiana.

Mr. ALLEN of Louisiana. Would it be possible to make the investigation in all of the States?

Mr. BOYKIN. They can commence in all of the States where they have this low-grade iron ore. There is low-grade iron ore in all of the 26 States which we are satisfied is much better than the ore Japan has.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield to me?

Mr. BOYKIN. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I believe I speak the sentiment, not only of every member of this subcommittee, but every Member of the House of Representatives, when I say that we appreciate the very fine, sacrificial, tireless efforts that the gentleman from Alabama and his committee investigating the steel situation have put forth and the service they have rendered.

Mr. BOYKIN. I thank the gentleman.

Mr. JOHNSON of Oklahoma. Let me add further that this committee is also interested in the subject matter that he is discussing. I might say, and I hope that the Members will forgive me if I am revealing any secrets, that the subcommittee agreed to go considerably higher than the Budget estimate during its conference with the Senate conferees. Would the gentleman from Alabama be willing to leave the matter to this subcommittee to see if we cannot work out a satisfactory arrangement with them?

Mr. BOYKIN. Can the gentleman from Oklahoma advise us what kind of an arrangement they may be able to work out?

Mr. JOHNSON of Oklahoma. Of course, I cannot commit the conferees.

Mr. BOYKIN. I have every confidence in the gentleman.

Mr. JOHNSON of Oklahoma. Every member of the committee is tremendously interested in this matter and I hope the gentleman will prevail upon the gentleman from North Carolina to withdraw his amendment.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. BOYKIN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the gentleman think that the conferees might be guided by the advice of the Director of the Bureau of Mines in the Department of the Interior?

Mr. BOYKIN. I certainly do; and I believe we should have this full amount.

Mr. COOLEY. The Bureau of Mines has considered this particular program,

which was worked out by the Steel Investigating Committee, and they agree with this Committee's findings and recommendations. The Bureau thinks this money is needed.

Mr. BOYKIN. The amendments before us today will make it possible to increase greatly our iron and steel production. For in at least 26 States there will be reliable surveys by subsurface drillings, prosecuted by money appropriated to the Bureau of Mines. This money is to be expended, however, in close cooperation with the respective States, whose officials may be more thoroughly familiar with these properties and in a position to obtain the maximum local cooperation.

And your committee, which is pledged to continue its efforts to get more steel, will keep in touch with Members whose districts are concerned. It will act in a liaison capacity to see that this work is done expeditiously and in the cooperative manner intended by the Congress.

These amendments are not the cure-all—this is only a beginning. It is a step in the right direction. It is the first step that must be made. It will provide a reliable stock pile of information on our most essential metal, iron and steel, the master metal of war and peacetime.

I hope the Members will vote to give us the full amount.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHORT. Mr. Speaker, will the gentleman from Oklahoma yield?

Mr. JOHNSON of Oklahoma. I will yield to the distinguished gentleman from Missouri, a neighbor of mine, for any reasonable request.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of business on the Speaker's table and at the expiration of the other special orders heretofore entered, I may be privileged to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1944—CONFERENCE REPORT

Mr. JOHNSON of Oklahoma. Mr. Speaker, within a very few moments I hope to move the previous question. I believe one other Member has asked for brief time to speak. I think, however, I should make a brief statement before I yield to him.

As the gentleman from Ohio, a member of the committee, stated when this bill first came to the House committee there was a Budget estimate for \$150,000. The Bureau of Mines did not ask this committee for \$1,250,000 or for \$2,750,000, or for \$300,000 which is now the Budget estimate; the Bureau of Mines asked our committee for \$150,000.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I cannot for the time being. After I complete my statement I will yield.

If the gentleman will read the hearings he will find that I, as chairman of the subcommittee, complained to the Bureau

of Mines because they had not asked for sufficient funds for this work. There was a considerable discussion and some of it was off the record, but the hearings will disclose that we were complaining and even intimating that a supplemental Budget estimate should be obtained. The Members who have addressed this body have been very kind and said generally that we have been interested and fair, but some have seemed to feel that we have been very, very "tight" with reference to the Bureau of Mines and with reference to other items. I did not take any exception to the statement of my dear friend from North Carolina that I am one of the "tightest" Members of this House; I took it as a compliment.

Mr. COOLEY. I intended to compliment the gentleman.

Mr. JOHNSON of Oklahoma. I thank the gentleman. As far as the Bureau of Mines is concerned, however, let me say that this committee has probably offered to go further above the Budget estimate than on any other item in the bill. As I say, a supplemental estimate was requested and we finally got a supplemental estimate not for \$2,750,000 but for another \$150,000, and the committee was willing to give the Bureau of Mines more than they asked for. We believed it was important.

Mr. WALTER. Mr. Speaker, will the gentleman yield at that point?

Mr. JOHNSON of Oklahoma. Yes; I yield to the distinguished gentleman from Pennsylvania.

Mr. WALTER. If the gentleman's committee objected to the failure of the Bureau of Mines to seek an amount which, in his judgment, was adequate; why is he complaining now and not attempting to secure this larger amount?

Mr. JOHNSON of Oklahoma. Oh, I am not complaining now at all; I want to tell the gentleman that the committee did give the Bureau of Mines substantially what it asked for. This was one of the very few items that our committee did not cut substantially below the Budget estimates. After 6 weeks of hearings your subcommittee was able to bring this bill in here nearly \$10,000,000 below Budget estimates and about \$60,000,000 below what it took to operate the department for the current year. You approved that overwhelmingly and passed this bill without the dotting of an "i" or the crossing of a "t," within less time than any Interior Department bill has ever been passed in this House or in the history of the Congress; so the committee felt that you approved its action in trying to economize on these matters. Then the bill went to the Senate, and the supplemental estimate arrived in the Senate, and they increased the Budget estimate to \$2,750,000. Then we had a conference with the Senate, and, as was indicated a while ago, the committee has been anxious to agree on a sum substantially higher than the amount of both Budget estimates.

Mr. COOLEY. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman think we ought to compromise an impor-

tant proposition like this, and does not the gentleman think that we ought to follow the feelings of the Bureau of Mines? Here is a letter from Mr. Sayre, which has not been read into the Record.

Mr. JOHNSON of Oklahoma. The gentleman had considerable time; I do not know why he has not read it into the Record. He has my permission to put it into the Record now.

Mr. COOLEY. I would like to call it to the attention of the House. They mention the figure here \$2,450,000.

Mr. JOHNSON of Oklahoma. But that is not the figure they mentioned when talked to this committee across the table.

Mr. COOLEY. That is dated June 10.

Mr. JOHNSON of Oklahoma. That was afterward.

Mr. COOLEY. The gentleman is impugning the motives of the Bureau.

Mr. JOHNSON of Oklahoma. I am not impugning anything. I am telling you that we had 6 weeks of hearings and we indicated to the Bureau of Mines that they should ask for more money if it was necessary.

Mr. COOLEY. May I ask one other question?

Mr. JOHNSON of Oklahoma. Yes.

Mr. COOLEY. Is it not a fact that at that time the Bureau of Mines had intended to make an investigation only in one section of the country, out in the western section?

Mr. JOHNSON of Oklahoma. That is hardly a fair statement. We have not stricken out anything. We simply ask for permission to go back to conference and reach an agreement there. Again I say to the House, Are you going to stand by this committee and give us an opportunity to go back and work out a fair and reasonable agreement with the Senate or are you going to repudiate this committee and say, after all of the hearings, that we do not know anything about what the situation is? We do not claim to have all the information but we do have some information, and I think we are entitled to work out a compromise with the Senate conferees.

Mr. RANDOLPH. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, I cannot allow this opportunity to go by without paying my tribute to the eminent fairness of the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I thank the gentleman.

Mr. RANDOLPH. I want to bring his attention to one matter and I think he will agree with me upon this: The United States Bureau of Mines for many, many years studied the necessity for finding ways in which coal could be used to manufacture gasoline. They went at it step by step, then all at once, within the last few months, they have seen the necessity for a great program of this type. I think that is what the gentleman from North Carolina is attempting to bring out here, that is, that piece-meal the figures the gentleman uses are correct as of June 10 of this year. That is

the early picture, but they come in with this new estimate.

Mr. JOHNSON of Oklahoma. This House hopes to recess some of these days. Some say it might be about the evening of July 10. I hope that is correct. Of course, the events of the day may move that up by 2, 3, or 4 weeks, I do not know, but in case this House does take a recess until September, we will be back here then. The Deficiency Committee of this Congress that meets nearly every day in the year and has met nearly every day since a year ago last September is in session and I have found that the Bureau of Mines, the Members of Congress and others, know the way to the Deficiency Committee. I happen to be a member of that committee and I think I know the feeling of the committee about this important matter. If this is not sufficient to take care of the situation the Bureau of Mines will know a lot more definitely about it by September, they will be back here and they will be asking maybe for more than the amount you are asking for now, and if they can show it is for the war effort you know they will get every dollar for which they ask.

Mr. MAGNUSON. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Washington.

Mr. MAGNUSON. I assume that the gentleman believes this is a worth-while program?

Mr. JOHNSON of Oklahoma. I certainly do.

Mr. MAGNUSON. And the committee does?

Mr. JOHNSON of Oklahoma. Yes; or else we would not have asked for a supplemental estimate.

Mr. MAGNUSON. Why not agree with the Senate and get it over with? If it is not worth while we ought to cut it out.

Mr. JOHNSON of Oklahoma. I may say there are \$55,000,000 worth of worth-while projects in this bill, every dollar of which, in my judgment, would be a worth-while proposition in any kind of a program, especially a post-war program; but this committee is unwilling to go along on \$55,000,000 added to the Senate in this bill simply because it may be desirable. I can think of some worth-while projects in my district and they have to do with the war effort. I have had telephone calls from my own State complaining bitterly about some of the items in this bill. They charge this committee with being "tight."

I am simply trying to do my duty as I see it toward the war effort. I have voted for every dollar for the war effort, but, as to other appropriations, we have to be a little more careful in trying to stay within the Budget estimates. That is not possible perhaps, and the gentleman knows this is about the only item in this bill that the committee has indicated a willingness to go over the Budget estimate. I call on the members of my committee to say whether that is correct.

Mr. JENSEN. That is exactly correct.

Mr. MAGNUSON. If we were asking the gentleman to fight the Senate on

this matter, that would be another story, but here is a majority of the House telling the gentleman what the Senate says is O. K. That ought to settle it all the quicker.

Mr. JOHNSON of Oklahoma. If the gentleman assumes this is a majority of the House, then the gentleman is correct, but if the gentleman will remember, there was another item yesterday and I was told that 90 percent of the Members of the House were for it, but when the vote was taken the House stood by the committee 3 to 1 and I feel, perhaps, the House may do the same thing on this amendment.

Mr. KELLEY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the gentleman from Pennsylvania.

Mr. KELLEY. The first estimate made to the gentleman's committee by the Bureau of Mines the gentleman said was \$150,000.

Mr. JOHNSON of Oklahoma. That is correct.

Mr. KELLEY. That was not to embrace all of the exploratory work that was to be done in the United States?

Mr. JOHNSON of Oklahoma. That is correct. There are other items in this bill, of course, for the Bureau of Mines to make investigations with reference to other strategic metals.

The SPEAKER. The time of the gentleman from Oklahoma has expired. All time has expired.

COMMODITY CREDIT CORPORATION

Mr. STEAGALL. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H. J. Res. 147) to continue the Commodity Credit Corporation as an agency of the United States, to increase its borrowing power, and for other purposes.

The Clerk read as follows:

Be it resolved, etc., That the first sentence of section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended, as of June 30, 1943, by striking out "June 30, 1943" and inserting in lieu thereof "December 31, 1943."

Sec. 2. The first sentence of section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is hereby amended by striking out "\$2,650,000,000" and inserting in lieu thereof "\$3,150,000,000."

Sec. 3. The Federal Reserve banks are hereby authorized to act as depositaries, custodians, and fiscal agents for the Commodity Credit Corporation.

Sec. 4. Section 22 (g) of the Federal Reserve Act, as amended (12 U. S. C. 375a), is hereby amended by adding at the end thereof the following: "This subsection shall not apply to loans which the Commodity Credit Corporation has agreed to take over or purchase."

Sec. 5. Full reimbursement shall be made to the Commodity Credit Corporation for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of the Lend-Lease Administration, the Army or Navy, the Board of Economic Warfare, the Reconstruction Finance Corporation, or any other Government agency, from the appropriate funds of these agencies.

Mr. STEAGALL. Mr. Speaker, the Clerk has read an uncorrected copy of the joint resolution. I ask unanimous consent to modify the joint resolution by

striking out "\$3,150,000,000" in line 8 and inserting in lieu thereof "\$3,000,000,000."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CALL OF THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Andrews	Harness, Ind.	Plumley
Barry	Hartley	Powers
Bradley, Mich.	Hébert	Pracht
Burch, Va.	Hollifield	Robison, Ky.
Capozzoli	Izac	Rowe
Cochran	Johnson, Ward	Russell
Culkin	Kennedy	Shafer
Elmer	Kilburn	Sheridan
Fay	King	Simpson, Pa.
Fernandez	Lesinski	Slaughter
Fitzpatrick	Maloney	Smith, Va.
Ford	Mansfield, Tex.	Stevenson
Fulbright	Mason	Tolan
Fulmer	Merritt	Treadway
Furlong	Morrison, N. C.	Van Zandt
Gallagher	Murphy	Vinson, Ga.
Gifford	Nichols	West
Green	O'Brien, Ill.	
Gwynne	O'Hara	
Hall, Edwin	O'Leary	
Arthur	Phillips	

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings, under the call, were dispensed with.

COMMODITY CREDIT CORPORATION

The SPEAKER. Is a second demanded on the motion to suspend the rules and pass the joint resolution?

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, this is a resolution to extend the life of the Commodity Credit Corporation to the 1st of January 1944. There is nothing in the joint resolution to which the Executive's objection was directed. There is no objection on the part of the Committee on Banking and Currency to the consideration of this proposed legislation. The provisions of this joint resolution represent the unanimous views of the Committee on Banking and Currency, with only one exception.

The amount of authorization of the Commodity Credit Corporation is increased \$350,000,000. It is \$150,000,000 less than was provided in the House bill. The amount was raised to \$1,000,000,000 in the Senate and the amount agreed upon in conference was \$750,000,000.

The resolution embraces two minor amendments to the Federal Reserve Act, as to which there is no objection whatever in the committee, and it is acceptable to the Federal Reserve officials.

Another provision of the resolution was taken from the original House bill and provides that any services rendered by the Commodity Credit Corporation to the Lend-Lease Administration or to other Government agencies shall be conducted without loss to the Commodity Credit Corporation, and that the Corporation shall be reimbursed for all funds expended, for the cost of administration and other expenses.

The resolution is a simple plan to take care of the situation that arises by reason of the action on the legislation which was dealt with this afternoon in connection with the message of the Chief Executive.

Mr. WOLCOTT. Mr. Speaker, needless to say I am somewhat reluctantly for this resolution, but I will say that under the circumstances it is the best thing we can do and the only just and equitable thing to do under the circumstances.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kansas.

Mr. HOPE. I realize it is necessary to extend the life of the Commodity Credit Corporation, but may I ask the gentleman why it is necessary to extend it for 6 months when we shall be back here in less than 90 days?

Mr. WOLCOTT. I may say to the gentleman that if we extend it until October 1 it would give us only perhaps 10 days after the recess to lay out a program for 1944. We are giving them the 6 months so that there will be ample opportunity after the 13th of September, when we are expected to be back here, to lay out a comprehensive program for the 1944 crop year.

Mr. HOPE. Does the gentleman think this is the minimum time, then, that we are safe in making this extension?

Mr. WOLCOTT. Yes; I would think so. There is no particular harm in giving them that. The time is purely arbitrary. In the bill that was vetoed we had extended the time to 2 years. We cut this down to 6 months. It seems that that will allow them to carry out any program this year. We cannot stop it whether we like it or not. The bill has been vetoed and we have not overridden the veto, so under this joint resolution we cannot stop subsidies, to pay roll-backs, and reduce maximum prices. However, it is to be hoped that the President—and, of course, he will do as he said in his message—will not promulgate any extensive program along that line any more than is absolutely necessary to accomplish what he considers to be the purposes of the act.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If this resolution is passed, is there a possibility that the Commodity Credit Corporation or the administration can commit the country to billions of dollars of expenditures for 1944?

Mr. WOLCOTT. I think under the language of the act there is nothing to

prevent the Commodity Credit Corporation from committing the country to a program limited only by the availability of their funds. It was for that reason that we cut this amount down to \$350,000,000 instead of giving them \$750,000,000, which was in the original bill.

Mr. AUGUST H. ANDRESEN. And that is as far as they can go?

Mr. WOLCOTT. I believe there is that much limitation in the bill.

Mr. JENKINS. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS. I do not know how long the gentleman expects to speak on this proposition, but if he is about ready to quit I wish he would not quit until he goes into this a little more fully and explains it. There are many Members of the Congress who have not been able to follow this matter intelligently through its ramifications. It is a very important matter. We tried to override the President's veto on this matter. To me this has been one of the most intricate and controversial matters I have ever experienced in Congress. I think the gentleman in his own wise and sagacious way ought to take 2 or 3 minutes and tell us exactly what this does or does not do.

Mr. WOLCOTT. Of course, nothing can be gained by post mortems. Many of us regret very much that the President vetoed the bill. We regret also that we were unable to override the veto. But he did veto it and we did not override his veto and so we have brought back in this resolution all of the non-controversial features of the bill which was reported out of the House committee, which is an extension of the time, but we extend the time only to December 31, 1943, instead of June 30, 1945, as was in the original bill.

The original bill provided for an increase in their loaning facilities of \$750,000,000. Because we have shortened the period, we have cut the amount down to \$350,000,000, making a total of \$3,000,000,000 available to the Commodity Credit Corporation for all purposes.

The chairman has explained the other noncontroversial features. There is nothing in this bill which will prohibit the subsidizing of roll-backs or the maintenance of maximum prices by subsidies, because the President vetoed that prohibition and this House has sustained the veto. Of course, it would be simply folly for us to incorporate another prohibition against roll-backs and subsidies or maintaining prices, only to have it go to the White House and have it vetoed again. We, as legislators, have to be realistic, and the only reason I am going along with this resolution is because the Commodity Credit Corporation has got to continue to function. When the time ever comes that we stop the operation of the Commodity Credit Corporation, we shall have to set some period for liquidation. At the present time they are doing hundreds of thousands of dollars' worth of business every day, and they have total commitments on their books of \$2,650,000,000. So it is not just

possible or practicable at this time to cut the head off of the Commodity Credit Corporation and run the chance of their having to liquidate, which might involve hundreds of thousands of dollars of losses to the Federal Government.

Mr. KLEBERG. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KLEBERG. I would like the gentleman to explain why if this resolution is to extend the life of the Commodity Credit Corporation for 6 months, which is one-fourth of the period in the original bill, the funds are limited to \$350,000,000 instead of one-quarter of the amount originally fixed.

Mr. WOLCOTT. Seven hundred and fifty million dollars was a compromise between the \$1,000,000,000 that the Senate gave them and the \$500,000,000 that the House gave them. One-fourth of that maximum would have been \$250,000,000. Perhaps all you can say for the other \$100,000,000 is that we threw it in for good measure.

Mr. WRIGHT. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WRIGHT. A vote against this resolution would deprive the country of the Commodity Credit Corporation and it would not stop inflation or roll-backs, because it would be possible to pursue this program with other funds. Is that not correct? I am talking about the effect of a negative vote of any Member. If a Member votes against the resolution he votes against the Commodity Credit Corporation and he does not vote to stop roll-backs or subsidies?

Mr. WOLCOTT. No, because those functions under the present interpretation of existing law could be transferred to the War Food Administrator or the Office of Price Administration, and the roll-back program would continue.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MUNDT. I wonder if the committee considered the possibility of placing any limitation whatsoever on the amount of this money which might be used in this roll-back food-subsidy program which appeals to many of us as being simply a scheme to charge this year's grocery bills to the taxpayers of future generations.

Mr. WOLCOTT. I think I have the gentleman's point in mind. We have to be very careful not to do anything which will result in another veto. It is hoped that somewhere along the line some restriction will be placed in the bill. I do not know where that will be.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, I want to make my position clear on this resolution to extend the life of the Commodity Credit Corporation without any restrictions whatever on the use of the funds appropriated to it for the payment of subsidies.

The whole program of subsidies is viciously inflationary. Every dollar used for the payment of subsidies is a dol-

lar of inflation, for it represents just that much Government printed money. In proof of this, one needs but look at the enormous volume of dollars that is being created in the financing of Government costs through the deposit of Government securities in the banking system.

The effects of subsidies are deceptive. Outwardly they can give the appearance of holding the cost of living down. But this effect must inevitably be to raise prices, undermine the whole economy and drive our people into further regimentation.

I think it is a great mistake to rush this resolution through as is being done. Surely we could have taken enough time to at least try to write into this bill some restrictions on the payment of subsidies.

I too want to go home. I have a son who is about to leave for the service and am, therefore, very anxious to get home to be with him as much as possible before he leaves. But I consider this bill so very important that I am willing to forego this desire in just as great measure as possible in order to do what I believe to be my duty with respect to this bill.

This may well be a crumbling of the last line of defense against inflation, and I want the record to show that I have done all I possibly can to hold it.

I must vote against this resolution.

Mr. WOLCOTT. Mr. Speaker, I now yield to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Speaker, the Congress, by a substantial majority in both Houses, extended the life of the Commodity Credit Corporation and wrote into the bill an inhibition against roll-backs and the payment of subsidies out of the Public Treasury to pay the food bill, which is nothing but a dole and hand-out for millions of people who are receiving the highest wages and salaries ever paid in the history of any nation.

The bill as passed by the Congress adequately provided for support prices for farm products and for an adequate program for increased production of food and fiber products for our armed forces and our civilian population. This action of the President in vetoing the bill places the burden of paying for the food we eat on the taxpayers and the future taxpayers of this country. It means that our 11,000,000 men in the armed forces, many of whom are only receiving \$50 per month, must pay the food bill when they come home, through increased taxation for those who are now working in defense plants and other branches of the Government and receiving wages in many instances of \$100 per week and more.

It is encouraging that a vast majority of the Members of the House, by their votes, refused to be a party to passing this food bill on to future generations. It is extremely unfortunate however, that the Chief Executive yielded to the pressure of a few vociferous so-called leaders of organized labor from the industrial sections of the East, and the po-

litical patronage group who see in the subsidy program a chance to use the taxpayers' money to play politics and further their own political interests. It is unjust to the American farmer and the producer, and a gross injustice to the boys in the service and to their children who must pay the increased tax bill, for subsidies which may well amount to billions. The President and his advisers have refused to accept any limitations on the amount that may be expended under the subsidy program.

This resolution, which we are now about to vote on, becomes necessary because of the President's veto. Of course, it is necessary to extend the Commodity Credit Corporation. I am hopeful that when the bill reaches the other body they will put a specific limitation in the resolution as to the amount that may be expended for subsidies, and that the resolution, if returned here with express limitations on the amount that may be expended, will receive the same courageous support of a vast majority of this House as was exhibited today in an effort to override the President's veto.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I note that in the President's message little or nothing was said as to who will pay the taxes for the subsidy program. Every benefit which the country receives carries with it a responsibility, and somebody is going to have to pay the cost of this program. I recall that recently the President said that if he did not get his subsidy roll-back program, it would be the fault of the Congress, and that the resulting inflation would be the fault of the Congress. It looks as if he is going to get his subsidy and his roll-back program.

The people will get the taxes to pay for it from some place, and if the program then fails, and the hold-the-line policy trips on itself and turns out to be an inflation policy, it seems to me that the fault would then not be the fault of the Congress of the United States, but the fault of the President of the United States. He has asked for this program. He has asked for the power to impose subsidies and roll-backs. Subsidies will lead to more subsidies, and roll-backs to more roll-backs, and all of that will lead to greater and greater taxes that the public will pay. The responsibility is now on the President of the United States, as to whether the program succeeds or fails.

Mr. WOLCOTT. Mr. Speaker, I yield now to the gentleman from Illinois, [Mr. CHURCH].

Mr. CHURCH. Mr. Speaker, bureaucratic waste of manpower and money is legalized theft. For the last several days the Congress has been working feverishly to pass the various appropriation bills, carrying deficiency funds for the fiscal year that ended at midnight last Wednesday, June 30, and new funds to be expended in the ensuing fiscal year. While I do not wish to detain the House,

I do not believe there will be a more appropriate time to consider the over-all picture of Federal receipts and expenditures. We have been so occupied with individual bills and individual items of appropriation that, understandably, we may fail to see the forest for the trees, so to speak.

Not all the appropriation bills having become law, and there having been so many changes, in the House, in the Senate and in conference committees, with respect to various items, it is impossible to say at the moment just how much money has been spent for the last fiscal year and how much has been appropriated for the ensuing fiscal year. We do know, however, that it is an astronomical sum, so large that I do not believe the Director of the Budget himself has a true mental grasp of the size, not even the distinguished chairman, the gentleman from Missouri [Mr. CANNON], of our overworked Committee on Appropriations.

We also know that the expenditures exceed the receipts. The financial record of the past fiscal year will probably show that the total receipts will be around \$21,000,000,000 and the expenditures close to \$76,000,000,000. In other words, in spite of the heavy tax burden on the people, less than 30 percent of the cost of the Federal Government is defrayed by current revenue. Most of the expenditures come from borrowings, which themselves represent an additional charge.

The American people are faced with still further increases in their Federal taxes. They recognize that war is costly. They recognize that all must contribute in accordance with his ability for early and complete victory. As in the beginning of our Republic the signers of the Declaration of Independence courageously pledged their "lives, fortunes, and sacred honor" to freedom's cause, so today the American people pledge their all. There is not an American citizen, worthy of the name American, who is not willing to pay whatever taxes may be necessary to finance the war.

But, Mr. Speaker—and it is an important but—the American people have a right to insist that there be an elimination of waste, and they do insist. They insist that we, their representatives, eliminate all items of expenditure not essential. We cannot afford much more than that which can be clearly shown to be essential to the war effort. It is our duty to save every dollar that can be saved.

While some progress was made during these last several months for economies, there is indeed much to be done. For the first time in years there has been at least a beginning for eliminating non-essential spending. But it is only a beginning. In our consideration of the appropriation bills during these past few weeks it has been significant that many agencies and bureaus have resisted, in some instances successfully, the efforts of the House to eliminate them entirely or appreciably reduce their normal operations. They all claim activities essential to the war.

Whenever a so-called war agency requests a certain amount of money to carry on its work, we are naturally hesitant to deny that agency any part of the money it requests. There will be those who will accuse us of obstructing or hindering the war effort. We will be accused of "playing politics." However that may be, I am personally convinced that there should be a closer examination of the expenditures of the war agencies and that such examination will show many places where there can be a substantial saving of money, materials, time, and manpower. Surely it is recognized that an agency directly connected with the war effort and designed to serve a very useful purpose can become so large and so cumbersome that it proves to be a hindrance rather than a help.

The Joint Committee on Reduction of Nonessential Federal Expenditures, under the able chairmanship of the Senator from Virginia [Mr. BYRD] filed its report last month on the subject of "Federal personnel." I earnestly recommend a careful reading of this report by every Member of Congress. The facts presented in the report make it clear why those who have business to transact with the Federal Government find it so difficult to locate the party in authority and why there are so many Government employees who, upon the occasion of our visits to departments and agencies, seem to have so little to do.

On November 11, 1918, when the armistice of World War No. 1 was declared, the number of employees in the executive branch of the Government was 917,760. In April of this year the number was 3,008,519. I cannot believe, I simply do not believe, that there is such a great difference between this war and the last war that almost 4 times as many civilian employees are necessary in the executive branch of the Government. In the last war the ratio was 1 civilian Government employee to every 5 soldiers, but in this war the ratio is 1 to every 2½ soldiers.

Mr. Speaker, if the expansion of Federal employees continues as it has over the past year and a half, it will be no gross exaggeration to say that before the end of the war there will be more civilian Government employees than soldiers. It is an alarming situation, particularly considering the fact that workers are needed for the farms, in the factories and in so many occupations absolutely essential for the successful functioning of our national economic life.

The monthly pay roll of the executive branch of the Government approximates \$600,000,000. In 1 year the American people pay over \$7,000,000,000 in salaries alone to people serving in a civilian capacity in the various departments and agencies.

The more I think about these startling facts the deeper becomes my personal conviction that it would be a distinct contribution for early victory if a substantial number of these employees were removed from the Federal pay roll. Not only would it represent a saving in dollars; not only would it represent a sav-

ing in manpower; it would also serve to remove some of the duplications and red-tape now hindering the entire war effort.

To be a bit facetious, it would perhaps be helpful if instead of the standing Committee on Disposition of Executive Papers we substituted a standing Committee on Disposition of Useless Executive Employees. I can assure you that the new committee would have considerably more work than the existing committee, with due respect to its distinguished members.

Some of you may recall that during my previous service in the House I protested on several occasions on this floor against the tendency of Federal employees to make extensive trips at Government expense, ostensibly on official business, but, in my judgment, for purely personal pleasure. I have also protested against abuses of the franking privilege. It is more or less characteristic of a bureaucrat not to have any concern whatsoever about expenses. We are today confronted with one of the largest, one of the most expensive, one of the most wasteful, and one of the most dangerous bureaucracies the world has ever seen.

Excluding the War and Navy Departments, the travel and communication expenditures of the executive branch for this past fiscal year has been estimated as exceeding \$100,000,000. The average citizen finds it difficult to obtain train accommodations. He has been asked to refrain from traveling and is glad to do so, with the knowledge that in time of war our soldiers must and should have preference. The average citizen has also been asked not to make long-distance calls unless absolutely necessary. He has willingly responded to the appeal.

I shall not take the time of the House with details, but it is very significant that there have been increases in train expenses, telephone calls, airplane accommodations, telegrams, mail, and so forth, in agencies which are engaged in work strictly of a nonmilitary character and which, in many respects, have a very remote connection with the war itself.

There is one other feature of the existing Federal bureaucracy to which I should like to direct your attention, where not only can economies be realized but a real hindrance to the war effort removed. I refer to the numerous reports and questionnaires which the various agencies submit to businessmen, who are endeavoring to produce as rapidly as possible the materials needed by our armed forces and who are faced with a shortage of manpower. Literally thousands of men are diverted from their war production work to answering questionnaires which serve no useful purpose, except perhaps to satisfy the curiosity of some bureaucrat or perhaps to find something to keep himself occupied.

The Byrd committee report of last February shows that a total of 7,025 separate reports and questionnaires were required by 48 agencies to be answered, and this figure does not include the requests for further information that may be sent out by letter. The inquiry into

this matter has brought to light some interesting data.

One corporation has stated that it costs them approximately \$90,000 a year just to file the Federal reports requested of them. The Eastman Kodak Co. employs 84 persons, 3,224 hours a week, to complete 409 reports for each quarter. And there is the amusing but pathetic case of a farmer who had to fill out a two-page report to get a pair of rubber boots. He was informed that if he lost the boots he was subject to a \$10,000 fine or 10 years' imprisonment.

Mr. Speaker, the waste of time, money, and manpower in connection with needless Government reports and questionnaires is in itself enormous, not to speak of the burden it places on American business. Many companies have been obliged to hire personnel to do nothing more than try to answer the reports and questionnaires they receive from Washington. The questionnaires themselves are so technical and so complicated that I seriously doubt that the people who prepared the form really knew what information they wanted. They only knew they wanted to ask some questions and they thought it would add to the importance of the questions they suspected as being of some value to someone sometime if they couched them in the most involved language.

All this is bureaucracy, Mr. Speaker, but it isn't all that could and should be said. The people are ready to bear the burden of the cost of war. They will do everything, anything. But they are not willing to have their money wasted. It amounts to legalized theft. Unless we deal with this problem courageously and promptly, while we win the war abroad we may lose our freedom here at home to a bureaucratic government.

Mr. WOLCOTT. Mr. Speaker, I yield now to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to insert in the RECORD at the conclusion of this bill now under consideration, my remarks on the profits of corporations in war industry.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I yield now to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, shifting the grocery bills of civilians earning high wages to the shoulders of the soldiers who are fighting this war does not look like a wise policy. In my opinion, it is not in keeping with American ideals and traditions. I sincerely regret that President Roosevelt has insisted by his veto message of a few hours ago that this country be put in position of having to pay for its everyday food bills out of the pockets of tomorrow's taxpayers who, as we all well realize, will be largely the self-same men and women who are today serving the colors of the United States in the armed services on every sea and continent. I predict, Mr. Speaker, that President Roosevelt will find that the percentage of civilians who desire to mooch their food from the taxes of future taxpayers is gratifyingly small and

that his scheme of deferring until some future date the pay day for meeting today's living costs will not prove to be any more popular than it is equitable or sound.

Mr. Speaker, American citizens have found out that the New Deal Santa Claus has an unpleasant but inevitable habit of calling back with due bills for the gilded presents which he leaves on the doorsteps of the people. Even the good and the faithful who have rewarded this policy of synthetic largess by voting for a third term for the man who promoted it are beginning to look with suspicion on the theory that you should never pay today anything which can be put off until tomorrow. Of all New Deal schemes to deceive the people into thinking they are getting something for nothing this proposed program of price roll-backs coupled with cash subsidies is the most shallow and shocking since it in actuality commits the servicemen fighting for \$50 a month to pay part of the household expenses of the war worker earning in excess of \$500 per month in many cases. It is the same principle as putting a tax on the chauffeur's beer to help buy champagne for the owner of the automobile.

Of course, Mr. Speaker, since the President has vetoed the legislation, and since it is necessary to extend the Commodity Credit Corporation at this time, we must now vote for the committee recommendation for a 6 months' extension of this act, and it would be futile to write in the same prohibitions against subsidies which the President has just today vetoed. We must bow to the inevitable. It is stimulating, however, to realize that a vast majority of this House has just voted to override that Presidential veto, and while the veto was sustained by a small margin, it is encouraging to know that Congress as a whole remains opposed to this program of mortgaging the future in order to revel in the present. Had just a few more Democratic Members of this House manifested the courage just demonstrated by some of them in refusing to yield to Presidential pressure and patronage we would have overridden this veto which not only is grossly unfair to American servicemen and to future generations, but which is likewise unjust to the farmers and producers of this Republic. It is indeed unfortunate that the political pressure of a few vociferous leaders of eastern labor unions, and the urging of Mayor LaGuardia, of New York City, should shackle upon this country a proposal as unsound and as unsavory as the food-subsidy program which the President will now be able to promote despite the emphatic and repeated opposition of the vast majority of Congress. We may get some hope from the fact that the emergency extension we are about to vote provides only 25 percent of the funds carried in the original 2-year extension and that Congress at the end of this year will again have an opportunity to reflect the people's wishes in this matter.

May I add the hope, Mr. Speaker, that the Senate which will get this legislation tomorrow may in its wisdom place some

limitations upon the percentage of these funds which can be frittered away in this grandiose experiment of food subsidization? Unless this is done, either other far more important services of the Commodity Credit Corporation may be curtailed or else commitments may be made which will force Congress to pass a deficiency appropriation to pay obligations incurred by the Government. I expect to discuss this suggestion with several Senators tonight and I sincerely hope that something along the lines of my suggestion may finally be incorporated in this legislation.

Somebody must pay for the food we eat. Is it to be the people who eat it, in true American style, or is it to be future taxpayers who must then shoulder the burden of our grocery bills in addition to their own costs of living and the carrying and amortization charges of a national debt which threatens to approximate \$300,000,000,000? Congress has said, "The lease we can do is to pay for our own grocery bills." The President has said, in substance, "Eat, drink, and be merry, for tomorrow is far away and others must then pay the bills." Mr. Speaker, that is the issue bluntly put. Either we pay or others must. The President has even refused to accept the compromise proposed by Senator AIKEN of Vermont whereby something akin to the stamp plan would be provided so that those whose incomes have not risen during the war would have their costs of living adjusted accordingly. Under the President's program the favored laborer in the shipyards earning \$150 per week will receive the same benefits as the white-collar worker or the laborer in civilian circles whose incomes may have received no substantial increases. The President's proposal will provide manna for the profligate wastrel as handsomely as for the poor widow. It is a give-away scheme for rich and poor alike, for the just and the unjust, for the rich and the needy, and it gayly ignores the realistic fact that what is given away today must be added to the already alarming tax burdens confronting those who must pay it all back tomorrow.

One more word and I am through, Mr. Speaker. I listened attentively to every word of the President's veto message. It was long on vote appeal and short on economics. As a fourth-term lure it may have had merit, but as a fact-tallying message it was disappointing. Most surprising of all, however, was its condemnation of the very inflationary spirals which it creates. The excess purchasing power which the food-subsidy program keeps from being drained off for the necessities of life will be spent for non-essentials, thus adding to the inflationary trends. It increases the already staggering national debt and excessive national debt is the mother of inflation. It means that bonds purchased to buy bombers must be used to pay butter subsidies instead. It helps create a tidal wave of extra private purchasing power which will press harder against the floodgates now shaking from the push of inflationary movements. It means that while we have pay-as-you-go taxation we

have eat-and-postpone-paying household economics; this may enable us to buy enough aspirin today to pay for the headaches of tomorrow but it is far from a sound approach to anything seeking to prevent future disasters. The President's veto message indicates he believes these price roll-backs and food subsidies will eliminate the necessity of any further wage increases, that they will provide parity prices for producers, that they will equalize the costs of living between workers enjoying huge wage increases and those receiving none, and that they will prevent inflation. It will indeed be interesting, Mr. Speaker, to watch developments between now and December 31 to see how nearly the President has gaged the future and now that he has the program upon which he has insisted the country has a right to expect that he will produce the results which have been promised.

Mr. WOLCOTT. Mr. Speaker, I yield $2\frac{1}{2}$ minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to read a letter from a farmer in my district written to the Gazette and Daily Newspaper of York, Pa., which ought to furnish some light and information to this House. It is headed "An Answer" and states:

AN ANSWER

EDITOR THE GAZETTE AND DAILY:

It's easy to see that pigheadedness and stubborn stupidity are not confined only to Congress.

It seems as if some of our private citizens have just a little more than their fair share of it.

It certainly does not hurt the morale of the farmers a bit to have someone to stand up for us once in awhile, like Senator GEORGE did. It makes us feel as if we have not been entirely deserted.

As far as subsidy payments are concerned, we would not accept such bribes anyway, even if Congress would try to impose them upon us.

When we bought our farm we bought it so we would have a way to work and earn an honest living, not just so we would have an excuse to live off of the Government, which, by the way, is supposed to be the servant of the people and must be financed by the people.

In plain words, those subsidy payments would have to be paid to the Government by the people in the form of higher taxes, so why not give the farmers a square deal once? Let them get fair prices for their crops and save the people the cost of administering such a program?

As for inflation, why didn't they think about that when the national debt was jumping from 16 billion to 65 billion dollars in 9 years of peace times? Why don't they worry about inflation when the labor racketeers are yelling for more pay? How did labor live through the last war, when they were not getting paid as much as they are now and the farmers were getting \$3 a bushel for wheat? You holler about production of food. How could the people be damned to starvation by overproduction of food when they have more money to buy it with now than they ever had? I haven't heard anyone complain as much about food prices as the fact that they couldn't get a lot of things.

Just try to imagine what shape our country would be in now if all of us farmers would have listened to the preachings of the agents of destruction who tried to make us destroy

our crops and produce less. Gives you an empty feeling under the short ribs, doesn't it? So you don't like Congress, eh? Well, just you march ahead toward dictatorship, if you want to. We farmers will not be with you.

WALTER I. KUNKLE.

DOVER, PA., June 28, 1943.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, earlier in the day we were not able to muster a sufficient number of votes to pass this bill, the Commodity Credit Corporation extension bill, over the President's veto, notwithstanding a very substantial majority of this body has indicated its disapproval and disrespect for the President's roll-back subsidy program.

Mr. WOLCOTT. Mr. Speaker, I yield the balance of the time to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, I have asked for this time for the purpose of assuring each of my colleagues that I have made every effort to try to furnish the food to win this war. We still hear about price instead of production. We need a "prince of production" to furnish this food. No "prince of scarcity" will ever accomplish the task. If in their wisdom the Members of this body want to put into effect a program that is going to hurt the war-food program, it will be their own responsibility. We are taking the recommendation of the people who want to roll the prices back from the same point at which they were placed by the same people who want to roll them back. In a few months time, I am sure, there are going to be a lot of people in this country who will say, "I thought that they had rolled prices back." Or "Where is the food to roll back the prices on?"

They talk about feeding the people of occupied countries and those in the war zones under lend-lease, upon milk solids. The only way you can get milk solids is as a byproduct of butter fat, and in order to get enough of it and meet the requirements of lend-lease is to stimulate milk production. We need four times the amount of milk solids we are now producing. Yet we are faced with a butter roll-back that will provide less milk solids.

When we are not able to obtain enough milk solids, they are willing to take a chance of rolling back the price of butter, sabotage the whole war food program in order to meet the demands of a few groups.

Here is an industry, the dairy industry, that represents 20 percent of the Nation's farm income. The only time we hear anything about inflation is when the low-income groups are being considered, or when the American farmer is in the picture. This administration provided \$700,000,000 to one and one-half million Federal employees who are receiving anywhere from \$2,900 to \$12,000 a year. You did not hear a word about inflation from Mr. Byrnes, Br. Brown, or any other of the Government economists when that group was being considered

and it is pretty hard to figure out the distinction. We roll back one group of producers obtaining less than 40 cents per hour, and help pay the grocery bill for people getting \$1 an hour to thousands a year. Remember there are no calories in a roll-back.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, the gentleman from Wisconsin is one of the fairest-minded men I have ever heard discuss any public question and I would like to ask him if we have not, by congressional action, directed the President to try to keep prices at the September 1942 level?

Mr. MURRAY of Wisconsin. By what authority or legislation?

Mr. McCORMACK. By the act of Congress in October.

Mr. WOLCOTT. Mr. Speaker, will the gentleman permit me to answer that question?

Mr. MURRAY of Wisconsin. No; I want to answer the gentleman's question if I may. There has been no mandate from Congress by legislation to do this.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. STEAGALL. Mr. Speaker, I yield such time as he may require to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an editorial from the Philadelphia Record of July 2, 1943.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, the parade of our Republican colleagues to the Well of the House in their futile efforts to reply to the great message which accompanied the President's veto of the Commodity Credit Corporation legislation, demonstrates how devastatingly the Chief Executive disposed of the contentions of those who seek to sabotage the administration's program to effectively control the cost of living and prevent runaway inflation. It will take more than their feeble speeches to answer the indictment contained in the President's message insofar as the thoughts of the American consumer are concerned.

Under the unanimous consent I have received, I am including in my remarks an editorial published in today's Philadelphia Record, which sets forth in plain language what millions of American citizens are thinking regarding the failure of Congress to meet its responsibilities to the American people:

CONGRESS ON ITS RAMPAGE IS HITLER'S COLLABORATOR

Secretary of the Interior Harold Ickes has made a powerful appeal to striking miners to return to work.

He declared that on the eve of the greatest military campaign in history, "every muscle, every sinew, every ounce of blood and guts

that we have must be pledged to a single purpose."

Somebody ought to make a speech like that to Congress.

For Congress, in effect, is on strike against the war effort.

It is sabotaging the home front just as surely as the man who makes faulty shell casings is sabotaging the fighting front.

Everywhere the military forces of the United States and our allies are on the march, forward.

We are smashing ahead in a two-pronged drive in the southwest Pacific. We are laying waste German factories by air in Europe.

But Congress is heading the home front for a retreat that may completely smash our domestic economy.

That rout must be halted where it started, in Congress. Or thousands of lives will be sacrificed as the war is dragged on by collapse of the production front at home.

Action of Congress to forbid use of subsidies to reduce retail food prices combined the worst features of a strike and absenteeism.

Vote in the House against the subsidy program, backed by the War Labor Board as well as the President, was 160 to 32—showing absenteeism of about 60 percent. Vote in the Senate was 62 to 13—showing absenteeism of about one-third.

By this action, Congress was shouting "No" in a vacuum. It has no plan of its own, save appointment of a food czar who could only carry out the "no, no, no" policies of Congress itself.

Wall Street knows what this action of Congress means. You don't fool Wall Street very often. Commodity prices soared yesterday because traders knew Congress was out to wreck the administration's program to control inflation. Oats went up to a 23-year peak. Cotton was up 85 cents a bale, wheat was up nearly 2 cents a bushel.

The smart boys in Wall Street know what happens to the consumer when food prices rise. Traders can make money in an inflationary period; the consumer is sure to lose.

There are some sound, honest men in Congress, but they seem today to be a pitiful minority. The majority of both Houses is on the loose, gambling for political gains at the expense of the war. Killing of subsidies is only one example.

Congress has slashed the appropriation for the Office of War Information, passed the Smith-Connally antistrike bill over the President's veto, hamstringing the administration's food plans by attacking the Farm Security Administration. Because of congressional delay a dozen vital war agencies were left at the end of the fiscal year yesterday without a cent of emergency funds.

An unholy alliance of reactionary Republicans and anti-Roosevelt Democrats, belittled by the McCormick-Patterson press is out to "get" the President. It may get him, politically. But by doing so, it will wreck the home front, perhaps delay victory for years.

Congress may think it can enjoy the luxury of obstructionist opposition because victory is almost won. Military leaders know better.

Lieutenant General Somervell, commanding the Army Service Forces, has just warned that a lag in production of equipment urgently needed by the Army threatens the whole strategy and tactical plans of the war.

We are now so short of weapons and matériel, he said, that we have been forced to take some of the equipment being used to train our Army in this country and send it abroad for combat use. Earlier, Assistant Secretary of War Patterson reported that production for the Army ground forces in May, scheduled to rise 2 percent, actually declined 3½ percent.

May was the month when Congress was beginning its attacks on the subsidy plan

and laying the ground work for its attack on labor.

Hitler and Goebbels have long boasted that this country, under the stress of war, would fall apart internally.

Congress, by opening the gates on inflation, by its blind opposition to anything the President proposes, is doing its best to make our enemy's predictions come true.

Congress must call off its strike against the war. It must get behind the President and vote for victory.

THE SPEAKER. The question is, Will the House suspend the rules and pass the resolution?

The question was taken; and, two-thirds having voted in the affirmative, the rules were suspended and the resolution was passed.

A motion to reconsider was laid on the table.

WAR PROFITS OF CORPORATIONS

MR. ENGEL. Mr. Speaker, on Tuesday, June 29, I discussed excess labor costs on war production. Today, I want to discuss excess corporation profits on war-production contracts. Before I do so, I would like to repeat what I said in my remarks of last Tuesday:

I believe in the capitalistic form of government. I believe in the profits system. I believe that a corporation or an individual engaged in any type of business, whether public or private, is entitled to a reasonable profit, including an amount set aside as a surplus to act as a cushion against another depression and reconversion to peacetime industry. I do not believe that any company or individual is entitled to excess profits on an investment. No corporation nor individual should be permitted to take a 20 percent profit on an investment when that profit is paid for by taxpayers whose tax exemptions have been lowered as low as \$500 and bond buyers who are receiving a low interest rate on the money they are lending to their Government for wartime expenses.

If there is any one thing that will give state socialism or communism a foothold in this country, it is the abuse of the profits system by those corporate or individual interests who are in the minority and who wring excess war profits from the toil and sweat of the worker, whether that worker is in a job where he is being paid a comparatively unjust wage or whether he takes the role of a taxpayer with a low exemption or a bond buyer lending his hard-earned money to the Government at a low rate of interest. If there is any one thing that will set the returning soldier against his Government it is excess profits paid to corporations or individuals on invested capital and excess wages paid to labor while he, the soldier, was compelled to accept a mere pittance for the services he rendered to his country.

If there is any one thing that will set the worker against his Government it is being frozen at a wage which is so low as to be incompatible with the rising cost of living while his fellow worker, doing the same type of work, is receiving an excess wage which cannot be justified on any ground. The returned serviceman and the low-paid worker knows that when the war is over he must toil and sweat the rest of his life to pay a tax on his diminishing income so his Government can pay the principal and interest

on the bonds issued, to pay such excess corporation, or individual profits and such excess labor costs. Millions of workers who have worked and toiled faithfully for a fair wage and thousands of businessmen and millions of stockholders who have taken a small, if any, profit will be penalized and will have to pay for the greed of those in the ranks of both labor and industry who have in some way been successful in wringing excessive war profits from the taxpayers through their Government. I repeat, if socialism or communism gets a foothold in this country, it is because of these wartime profiteers in the ranks of both labor and industry.

SUMMARY OF OVER-ALL PICTURE OF COMPANIES WHOSE PLANTS I VISITED

Factory pay rolls of the companies whose plants I visited and whose reports I was able to obtain, including General Motors, Ford, Chrysler and General Electric, but excluding Government arsenals, show an aggregated pay roll for the calendar year of 1942 of \$2,316,041,747. The total number of employees working in these plants aggregated 850,522. The annual average earning, per employee, for the calendar year of 1942 was \$2,725. The total number of hours worked for the calendar year was 1,706,434,931 while the average amount paid for each hour was \$1.35. While factories were on a 48-hour basis, lay-offs, because of lack of material, absenteeism, sick leave, vacation leave and other causes brought the actual number of hours worked down to an average of 38.6 hours per week for the year.

SPOT CHECK ON CORPORATION PROFITS

In the discussion of this problem, may I say again that to the extent to which a corporation, or individual, is engaged in war production, to that extent the corporate or individual pay roll is a public pay roll and the profits statement is a statement to which the public is entitled to see because that pay roll and those profits are paid for by the taxpayer and the bond buyer.

MR. SPEAKER. I am placing into the RECORD, as Exhibit A, a study I made of 48 corporations who are engaged in war production. In addition to the name of the corporation, this table gives the following information on corporation earnings for the years 1941 and 1942: First, income and excess-profits taxes paid; second, depreciation deducted; third, net income after taxes; fourth, the earnings per share of common stock after taxes; fifth, the market value per share of common stock; sixth, the earnings after taxes per \$1 market value of common stock in terms of percentages.

The market value for 1941 was taken from the stock market report of January 16, 1942, and the market value for 1942 was taken from the stock market report of January 16, 1943. All stock reports were taken from the New York Times.

In making a study of these earnings and particularly in the returns on market values, one must take into consideration the fact that the 1942 earnings helped to increase the market value of that same stock in 1943. In other words,

while there may not have been any increase in the physical value of the corporation profits there was an increase in the market value of the stock. The New York Times report on averages on 50 stocks show that such stock sold for an average of \$77.10 on January 16, 1942, and \$84.17 on January 8, 1943, or an increase in the market value of the stock in 1943 over 1942 of 9.17 percent.

While I visited some of the companies whose figures I am giving in this table, the information in the table was taken from information on file in the Congressional Library and not from information which the companies furnished me. I have similar information on these same companies for 1939 and 1940.

TAXES AS A PART OF PRODUCTION COSTS

These 48 companies who were engaged primarily in war production paid during 1941 and 1942, \$2,766,559,000 in Federal income and excess-profits taxes, not including social security or unemployment taxes. Taxes, of course, are figured in as an item in the cost of production. In view of the fact that these companies were practically 100 percent on war production, the fact is that these companies first collected this amount of tax from the Government as a part of the cost of production and then paid the money back into the Treasury as taxes. Nevertheless, it is a cost item of production. It is only when one takes into consideration the fact that here we have 48 corporations paying in 2 years nearly \$3,000,000,000 in taxes and the further fact that there are literally thousands of companies in war production paying similar taxes that we can begin to appreciate the increased war costs due to taxes. What happens is that the Government pays these sums out of the Treasury as war costs and then they are paid back into the Treasury as taxes.

The above figures do not include millions of dollars paid by these companies for social security, unemployment-insurance taxes, State corporation and real-estate taxes and other taxes which likewise come out of the Federal Treasury in the cost of production but, of course, do not come back into the Federal Treasury.

DEPRECIATION

These 48 corporations charged off during the years 1941 and 1942 \$769,049,000 in depreciation.

NET INCOME

The study shows that the net income, after taxes, of these 48 corporations for the year 1941 was \$872,378,000 and for 1942 was \$705,206,000 or a total of \$1,577,584,000 after taxes, for this 2-year period.

So we find that taxes, depreciation, and net earnings for these 48 corporations aggregated a total for 1941 and 1942 of \$5,113,192,000.

In view of the fact that there are some 300,000 contracts and subcontracts held by thousands of corporations and business concerns, large and small, we can appreciate that taxes, depreciation, and

earnings constitute a tremendous sum in trying to break down the total war-production cost.

INDIVIDUAL EARNINGS OF CORPORATIONS

In studying this table one finds the following information of interest. The net percentage earned after taxes per dollar market value of the stock of the 48 corporations was as follows:

In 1941, 1 earned less than 5 percent; 7 earned from 5 to 10 percent; 18 earned from 10 to 15 percent; 6 earned from 15 to 20 percent; 2 earned from 20 to 25 percent; 5 earned from 25 to 30 percent; 3 earned from 30 to 35 percent; 3 earned from 35 to 40 percent; 3 earned from 40 to 53.21 percent.

In 1942, 4 earned 5 percent or less; 16 earned from 5 to 10 percent; 10 earned from 10 to 15 percent; 6 earned from 15 to 20 percent; 5 earned from 20 to 25 percent; 1 earned from 25 to 30 percent; 1 earned from 30 to 35 percent; 1 earned from 35 to 40 percent; 3 earned from 40 to 53.88 percent; 1, no report for 1942.

This study further shows that in 1941 that of the 48 corporations surveyed, 8 earned less than 10 percent; 24 earned from 10 to 20 percent; 16 earned from 20 to 53.21 percent.

In 1942, 20 earned less than 10 percent; 16 earned from 10 to 20 percent; 11 earned from 20 to 53.88 percent; 1, no report for 1942.

These are nearly all large- or medium-sized corporations whose stock is quoted on the stock market. It gives one a bird's-eye picture of the profits taken by this class of corporation.

GOVERNMENT-FINANCED CORPORATIONS

There is another type of corporation which takes excessive profits far in excess of those taken by the 48 corporations named in the table. It is the type of a corporation which has a small, in fact an extremely small, capital stock and paid in surplus but whose principal capital was or is being furnished by the Government either direct or through the Defense Plant Corporation. We find these corporations earning a profit on a large Government capital but distributing that profit to a small group of stockholders who have very little capital invested. Jack & Heintz, Inc., gives a good illustration of this type of corporation. The following is their set-up.

JACK & HEINTZ, INC.

This company was organized in November 1940 with a capital stock structure consisting of 100 shares no-par stock for which four stockholders paid in \$5 per share. They also paid in \$99,500 in surplus. Thus we have four individual stockholders who have paid in \$100,000 in capital and surplus.

The total cost of defense plants, machinery, and equipment furnished by the Defense Plant Corporation as of October 31, 1942, was \$7,477,100. Earnings for the calendar year of 1941, before taxes, were \$932,024 and after taxes \$289,089. Earnings for the year 1942 before taxes were \$7,740,829 and after taxes \$1,740,829. The earnings before

taxes were 7,740 percent of the capital stock and paid-in surplus and after taxes 1,740 percent of the capital stock and paid-in surplus.

Thus in 1942, after setting aside \$173,680 for depreciation and obsolescence; after paying the three top officers \$116,645 each; after giving a Christmas bonus of \$944,300; after paying wages that, according to their statement, averaged an annual rate of \$5,172 per employee, as shown in my statement to the House on Tuesday, and after paying \$6,000,000 in income and excess-profits taxes, this company showed a total 1942 earning of \$1,740,839 on an invested capital and paid-in surplus of \$100,000. The total pay roll for 1942 was \$8,886,000 while the annual sales for the year were \$23,661,000. This company has an exceptionally good production and low-cost record.

GOVERNMENT-FINANCED CORPORATION PLUS MANAGEMENT FEES SPELL EXCESS PROFITS

Another class of corporations are those which, like the preceding case, have an extremely small paid-in capital and paid-in surplus; have practically no property nor capital of their own to start with; whose capital is furnished by the Government through the Defense Plant Corporation or otherwise, but who take not only an excessive profit on their small capital investment but take in addition a management fee which adds to the cost and excess profits. The following is an illustration of a class of corporations which combines these two features, that is, capital furnished by the Government plus management fees paid to the owners of the company through another corporation:

THE HIGH STANDARDS MANUFACTURING CO., INC.

This company was organized in 1926. The amount of capital stock issued and outstanding is 5,000 shares of a par value of \$5 per share, or \$25,000. Approximately 4,700 shares are owned by one family. The stockholders, in addition, contributed cash capital in the amount of \$17,775, and on December 31, 1940, the company had an earned surplus of \$22,685. Thus on December 31, 1940, this company had a capital stock, paid in and earned surplus of \$65,660, according to the figures furnished me.

The amount of money furnished by the Government, through the Defense Plant Corporation, as of December 31, 1942, was \$6,696,628, including \$3,473,000 furnished by the British and taken over by the United States under lend-lease. This company had a total sales in 1942 of \$50,771,000, with a net profit before renegotiation and before taxes of \$30,496,000. The net profit before taxes and before renegotiation was 60 percent of the sales. After refunding \$23,775,000 in renegotiation and after paying approximately \$4,800,000 in taxes, this company showed a net profit in 1942 of \$1,888,918 on a paid-in capital, paid-in surplus, and earned surplus of \$65,660 as of December 31, 1940.

The earnings per share of stock after deductions, including taxes and renegotiation,

tiation, was \$377.78 in 1942. The amount paid in per share of stock was \$5. This is 7,500 percent on the par value of the stock or nearly 3,000 percent of the paid-in capital, earned and paid-in surplus.

The chief officers of the High Standards Manufacturing Co., Inc., are also members and owners of the Dixwell Corporation. The Dixwell Corporation has a contract with the High Standards Manufacturing Co., Inc., by which the former manages and engineers the entire business of the latter under an agreement whereby the High Standards Corporation pays the Dixwell Corporation 6 percent of its gross sales. Under this agreement, the High Standards Manufacturing Co., Inc., in 1942 paid the Dixwell Corporation as management and engineering fees 6 percent on \$50,771,000 gross sales, or \$3,091,000. In the renegotiation \$1,453,000 of the Dixwell Corporation originally indicated 1942 fees of \$3,091,000 was disallowed. This company had made an exceptionally fine record in the low-cost production of .50-caliber machine guns.

I want to give another illustration of excess profits which is self-explanatory:

CONTINENTAL MOTORS CORPORATION

This company has 3,000,000 shares of common stock, authorized and issued, par value \$1 per share, or \$3,000,000. Its total sales for the year 1942 was \$139,500,000, of which \$98,154,000 were subject to renegotiation and \$41,350,000, because of technical reasons, was not subject to renegotiation. This company made a net profit, before taxes and before renegotiation, of \$36,690,000, of which \$24,426,000 was subject to renegotiation and \$12,264,000 was not. Thirty-six million six hundred and ninety thousand dollars is 12 times the par value and 3½ times the market value of the stock as that market value was given on June 16, 1942—\$4.06 per share.

In addition to the reduction of prices in the amount of \$39,000,000 it refunded in renegotiation in 1942, \$13,126,000. The total profit before taxes but after renegotiation was \$23,564,000. After paying \$13,000,000 in taxes they had left, after renegotiation and taxes, \$5,564,000. This is 182 percent of the par value of their stock or 44.8 percent of the market value of their stock as that market value was shown in the New York Times on January 16, 1943.

The above case illustrates how excessive profits are taken in hundreds of cases. Those in charge of renegotiation of war contracts have many similar cases they are working on.

STATEMENT OF CHAIRMAN OF WAR DEPARTMENT PRICE ADJUSTMENT BOARD

Mr. Maurice Karker, Chairman of the War Department Price Adjustment Board, testified before the War Department Subcommittee of the Appropriations Committee on the recent bill—see page 501 of the hearings—that 10 percent of the corporations subject to renegotiation were decidedly not cooperative and that 90 percent were willing to face

the facts of the statute and the facts of profit realization. He stated that the 10 percent will go to any length to avoid exposure of the facts:

One-third of the businesses that have been renegotiated up to now have not made excessive profits in 1942. Probably one-half of the remaining 67 percent are loud in their opposition, and in their effort to avoid coming to grips with the problem.

Mr. Karker gives the profits on a certain machine tool company—page 503 of the hearings—and I quote:

In the days before the war their sales were \$7,500,000 and their profits, before payment of taxes, were about \$1,850,000. This represents a profit of about 25 percent before the payment of taxes. * * * In 1942 they did a \$50,000,000 business. Thirty million dollars' worth of that business was not renegotiable because it was largely with the Defense Plant Corporation, which you have not included in the statute. Twenty million dollars of the business was renegotiable because it was business with departments which are covered by the statute. On the \$30,000,000 volume of business, which was not renegotiable, their margin of profit increased from 25 percent in the base years to 38 percent in 1942. On the \$20,000,000 worth of business over which we now have jurisdiction they made as much profit as they did on the nonrenegotiable portion—38 percent. On the \$50,000,000 worth of total 1942 business they made a profit of 38 percent—38 cents out of every dollar—and it is their contention that that profit is not excessive.

RENEGOTIATED CONTRACT CASES

While the War Department cooperated in every way, and while those in charge of renegotiation were eager to help me all they could, they were naturally reluctant in giving out facts regarding individual cases. I did not insist upon this information except in cases where I already had the information and where I wanted to verify the facts. In order to avoid any possibility of embarrassment, and at the request of the War Department, I am not giving the names of these companies but use a case designation. Seven of the companies discussed here have, as a result of renegotiation, repaid to the Government \$257,560,000 and have made price reductions representing an additional savings to the Government of a substantially larger sum.

In this connection, I desire to point out that the renegotiation statute was developed and had its origin in the War Department Subcommittee of the Committee on Appropriations. The gentleman from South Dakota [Mr. CASE], concerned as we all were with the problem of controlling excessive profits while we speeded up the war program, originally proposed "renegotiation" as a law and offered the amendment that initiated the statute.

It was during the hearings which the subcommittee conducted on the items for the War Department in the sixth supplemental defense bill in March last year. The problem, as seen by the gentleman from South Dakota, was to find some device that would permit the expeditious letting of contracts and yet

preserve for the Government the right to review costs and eliminate excessive profits.

He has stated that the need for the legislation was brought to his attention by a decision of the United States Supreme Court in the Bethlehem Shipbuilding case, handed down in February of 1942, a case growing out of World War No. 1, in which the Court held that after papers of final settlement had been issued, the Government could not recover any part of the price paid regardless of how unconscionable the profits that had been made, except, of course, such as might have been recovered through taxation.

So the gentleman from South Dakota [Mr. CASE] proposed language that would require an agreement for a renegotiation before final settlement and payment on a war contract. He submitted the idea to two witnesses who appeared before us on that bill, Major General Reybold, chief of engineers, in charge of construction, and Colonel Kutz, who appeared in behalf of the Ordnance items in the bill. Both expressed interest in the proposal. The committee decided, however, that the matter should not be reported in the bill but be presented by its author when the bill went to the floor of the House since the amendment was legislative in character.

The sixth supplemental bill went to the floor and was passed by the House on a Saturday afternoon, March 28, 1942. Time had been fixed and debate was limited before the point in the bill was reached where the amendment would come. Consequently the author's explanation of his amendment was brief and came so far ahead of the offering of the amendment that later the newspapers said it was accepted without debate.

In the form first offered, the amendment provided that no part of the funds appropriated in the bill could be used to pay that portion of a contract price known as final payment or final settlement to a contractor who had failed to file "a renegotiation agreement" satisfactory to the Secretary of War or Secretary of the Navy, as the case might be.

A point of order was made that the language constituted legislation by imposing additional duties on a Government official, the Secretary concerned. The gentleman from South Dakota had anticipated that so he had prepared an alternative form which he immediately offered. This barred use of the funds to make final settlement payments to contractors who failed to file an agreement to renegotiate profits in excess of 6 percent. Curbing of war profits was in the air at the time, due to exposures by the Naval Affairs Committee. The amendment was adopted on a division vote, 70 to 8, and went to the Senate.

The next day the papers headlined the 6-percent curb on war profits and few of them caught the new word "renegotiation" which had been introduced into legislation dealing with excessive war

profits. The author of the amendment explained its purpose to the Senate committee that considered the bill, and stated that he recognized the 6-percent clause was difficult of application, but that he had to put in a rigid formula to avoid a point of order. The Senate committee understood, asked the War Department to draft the details to make renegotiation a part of all contracts. The expanded amendment became section 403 of the Sixth Supplemental Defense Act of 1942, approved April 28, 1942, placing contracts of the War Department, Navy Department, and Maritime Commission under its provisions.

In October contracts placed by the Treasury Department were added and a few other amendments were made, based upon experience in the workings of the act, and renegotiation of war contracts became section 801 of the Revenue Act of 1942, approved October 21, 1942.

The other day when the House passed the Army appropriation bill for fiscal 1944, the gentleman from South Dakota offered a further amendment to the act, bringing war contracts placed by such agencies of the Reconstruction Finance Corporation, as Defense Plant and Defense Supplies, under the renegotiation statute. That addition grew out of testimony developed in our hearings, such as that I have already mentioned. It was accepted by the House and subsequently agreed to in conference with the Senate.

I have taken the time to give this history of the renegotiation statute because it occupies such a large place in our current efforts to control and prevent excessive war profits, and because its modest beginnings have tended to obscure its far-reaching importance. We all agree that the renegotiation procedure has some difficulties, but it has permitted the placing of contracts to go ahead full speed and yet preserve for the Government and for the people a check on excessive profits. Let us see how it has worked.

FIFTY-FOUR COMPANIES I STUDIED EITHER HAVE BEEN OR WILL BE RENEGOTIATED

Out of the 54 companies of which I made a study, including the 48 contained in exhibit A, 31 companies have been renegotiated while 23 are assigned for renegotiation but not yet completed.

I have commented specifically on three of these companies by name. I now wish to give the facts on five more companies who have been renegotiated but whose names I have been requested by the War Department not to publish.

CASE C

This company had sales of \$48,000,000 and their profit before taxes and before renegotiations was over \$18,000,000, or 37½ percent of their gross sales. This profit, before taxes and before renegotiation, was approximately 100 percent of the capital stock and earned surplus. After refunding more than \$6,500,000 on renegotiation and paying nearly \$8,500,000 in taxes, this company had left a net profit of \$3,200,000, or nearly 16 percent

of the invested capital and earned surplus.

CASE D

This company had sales of approximately \$450,000,000, and their profit before taxes and before renegotiation was \$125,000,000, or 28 percent of the gross sales. After refunding \$65,000,000 in renegotiation and paying \$45,000,000 in taxes, this company had \$13,600,000 left on an invested capital and earned surplus of approximately \$37,000,000. This company increased its surplus more than \$8,000,000 from 1940 to 1942.

CASE E

This company had sales of approximately \$127,000,000. Their profit before taxes and renegotiation was \$35,000,000 or approximately 27½ percent of the gross sales. In addition, approximately \$10,000,000 was earned on cost-plus-a-fixed-fee contracts making the total profit \$45,000,000. After refunding \$14,000,000 in renegotiation and paying \$24,000,000 in taxes, this company had left approximately \$7,000,000 profit, or approximately 37 percent of the invested capital and earned surplus of approximately \$20,000,000.

CASE F

This company had sales of approximately \$370,000,000 with a profit before refund and before taxes of \$120,000,000, or 32 percent of the gross sales. The gross profit was 20 percent larger than the invested capital and earned surplus. After refunding over \$93,000,000 in renegotiation and after paying over \$20,000,000 in taxes, the company had left over \$7,500,000. This company increased its surplus more than \$15,000,000 from 1940 to 1942.

CASE G

This company had sales of approximately \$65,000,000 with a profit before renegotiation and before taxes of over \$18,000,000, or 28 percent of the gross sales, on an invested capital and earned surplus of \$26,000,000. After refunding \$9,500,000 in renegotiation and after paying \$6,500,000 in taxes, this company showed a profit of approximately \$3,000,000.

AMOUNT RECOVERED BY RENEGOTIATION OF CONTRACTS

Mr. Karker, Chairman of the War Department Price Adjustment Board, testified before our committee that renegotiations conducted by the War Department in the period between April 28, 1942, and May 1, 1943 have resulted in the elimination of excess profits in an estimated amount of \$1,866,000,000. Of this amount \$698,000,000 represents recovery of excess profits realized and \$1,168,000,000 represents price reductions for future deliveries on existing contracts.

He further said that this does not, however, measure the full effect of this law. In the renegotiation of these contracts, we are able to determine what the prices of new contracts should be and learn which prices are excessive and the savings on new contracts let will exceed

the amount of refunds and reductions on existing contracts.

This, of course, does not take into consideration Navy and other contracts which are being renegotiated.

No one can study the individual cases, such as I have given in illustrations above without coming to the conclusion that while some of the excess profits would have been recovered by taxation, a great deal of such profits will not be recovered unless these contracts are renegotiated and refunds made.

CONCLUSION

In concluding my remarks, I want to issue a word of warning. The fact that a corporation finds itself with excess profits does not necessarily mean that that corporation has been guilty of wrongdoing. Corporations, like individuals in making contracts for war supplies, protect themselves by insisting that the unit price be large enough to protect them from loss. This is particularly true when a corporation is making an article which they have never made before. Let me give you an illustration.

In going through one of the large plants I found that the original contract for a definite number of shells contained a unit price of \$16.80 per shell. Against this unit price had to be charged the tools and dies to make a shell, the cost of educating labor, change-over in factory, and so forth, as this company was operating on its own capital. The company took successive contracts to make the same shell, each contract being voluntarily lowered until the last contract price was \$6.70 to make the same shell which was made through the original contract for \$16.80. Charging off of equipment, education of labor, and so forth, enabled them to make this reduction which they did voluntarily. Some companies, however, would have offered to make these shells at \$8.40 per shell instead of \$16.80. The public would have thought that they had obtained a very good price when, as a matter of fact, the company would have been making excessive profits despite the fact that they had reduced the cost of the shell 50 percent. I am merely using this as an illustration. Many companies find themselves with excessive profits on their hands which they are willing, as Mr. Karker testified, to refund. Others do so reluctantly, while others oppose renegotiation violently.

May I repeat again that regardless as to how efficient a company may be, how good they are at production, they have no right to make excess war profits when those profits are paid for by taxpayers whose tax exemptions have been lowered as low as \$500, by bond buyers who are investing their hard-earned money in low-interest bonds.

Not one has a right to make excess profits when the public debt incurred to pay those excess profits must be paid by returning servicemen and others after the war out of any income they may earn.

EXHIBIT A

Figures show amounts allotted for taxes, depreciation, net income, earnings per share of common stock, market value per share of common stock, and percentage of earnings per \$1. of market value of stock for selected corporations receiving contracts for ordnance from the United States Government for 1941 and 1942

[Unless otherwise indicated, figures are for calendar year. Market values were taken from the stock market report of the New York Times]

Corporation	Taxes (thousands)	Depreciation (thousands)	Net income ¹ (thousands)	Earnings per share of common stock ²	Market value per share of common stock	Earnings per \$1 of market value (per cent)
E. I. du Pont de Nemours Corporation, Wilmington, Del.:						
1941.....	\$103,190	\$26,441	\$90,401	\$7.44	\$134.50	5.53
1942.....	99,800	32,141	63,941	5.07	136.00	3.72
Colorado Fuel & Iron Corporation, Pueblo, Colo.:						
1941.....	2,982	1,339	2,580	\$4.53	16.50	27.45
1942.....	729	1,729	787	\$1.40	15.0625	9.28
Eastman Kodak Co., Rochester, N. Y.:						
1941.....	28,230	8,709	21,588	8.57	137.25	6.24
1942.....	39,130	10,915	21,184	8.41	149.50	5.62
Chrysler Corporation, Detroit, Mich.:						
1941.....	28,700	25,126	40,114	9.22	48.375	19.05
1942.....	35,418	27,423	15,529	3.57	69.875	5.10
Continental Motors Corporation, Muskegon, Mich.:						
1941.....	3,250	285	3,232	1.08	3.625	29.79
1942.....	18,000	694	5,473	1.82	4.0625	44.8
Crucible Steel Co. of America, Harrison, N. J.:						
1941.....	15,022	2,620	7,439	12.96	34.25	37.83
1942.....	34,257	4,791	4,865	7.26	34.00	21.35
Caterpillar Tractor Co., Peoria, Ill.:						
1941.....	9,192	3,541	7,784	4.14	39.50	10.48
1942 (12 months ending Feb. 1, 1943).....			7,130	3.79	41.25	9.187
American Brake Shoe & Foundry, Chicago, Ill.:						
1941.....	3,300	1,823	3,195	3.56	33.00	10.78
1942.....	6,967	2,227	2,991	3.22	30.50	10.557
American Car & Foundry Co., New York, N. Y.:						
1941.....	2,194	2,955	8,161	5.23	31.75	16.47
1942.....	38,507	5,134	9,275	\$12.09	26.50	45.62
Bendix Aviation Corporation, Bendix, N. J.:						
1941.....	23,445	1,428	18,267	6.30	38.25	16.47
1942.....	45,666	2,033	12,404	5.90	35.00	16.857
American Can Co., New York, N. Y.:						
1941.....	18,700	7,523	18,846	6.45	63.75	10.11
1942.....	12,575	7,545	12,867	4.03	75.50	5.337
American Locomotive Co., Schenectady, N. Y.:						
1941.....	4,090	1,300	5,629	4.12	9.625	42.80
1942.....	23,600	2,775	5,052	3.37	8.50	39.64
Armstrong Cork Co., Lancaster, Pa.:						
1941.....	3,969	2,140	4,241	2.86	26.25	10.89
1942.....	2,223	1,927	2,964	1.95	32.50	6.00
Baldwin Locomotive Works, Eddystone, Pa.:						
1941.....	8,296	1,855	3,975	3.71	14.00	2.65
1942.....	13,683	1,407	4,516	2.94	12.225	24.04
Bethlehem Steel Corporation, Bethlehem, Pa.:						
1941.....	108,961	24,105	34,457	9.35	64.75	14.44
1942.....	184,704	22,768	25,388	6.32	113.50	5.568
Hercules Powder Co., Wilmington, Del.:						
1941.....	14,163	5,586	6,099	4.23	71.50	5.91
1942.....	20,513	4,847	5,547	3.81	74.75	5.096
International Harvester Co., Chicago, Ill.:						
1941.....	17,421	7,259	30,635	5.87	48.50	12.10
1942.....	20,878	7,314	26,747	4.95	164.00	3.018
General Motors Corporation, Detroit, Mich.:						
1941.....	257,619	53,161	201,653	4.45	33.00	13.48
1942.....	134,501	59,163	163,652	3.55	45.00	7.88
General Electric Co., Schenectady, N. Y.:						
1941.....	120,000	20,955	57,197	1.99	28.25	7.04
1942.....	193,000	23,119	45,081	1.56	32.275	4.833
Firestone Tire & Rubber Co., Akron, Ohio:						
1941.....	14,262	8,711	11,262	4.37	14.375	30.4
1942.....	19,162	10,307	12,481	5.04	26.225	19.21
Jones & Laughlin Steel Corporation, Pittsburgh, Pa.:						
1941.....	22,142	19,885	15,500	10.23	24.00	18.20
1942.....	31,900	22,361	10,142	4.60	20.875	22.03
Otis Elevator Co., Yonkers, N. Y.:						
1941.....	1,663	2,590	2,590	1.10	12.50	8.8
1942.....	6,295	2,573	2,573	1.09	17.50	6.22
National Cash Register Co., Dayton, Ohio:						
1941.....	1,653	1,209	3,257	2.00	12.50	16.00
1942.....	6,950	1,593	3,137	1.93	19.625	9.834
Pressed Steel Car Co., Chicago, Ill.:						
1941.....	364	351	813	1.09	7.75	14.06
1942.....	5,800	384	1,729	2.18	7.225	30.17
Pullman, Inc., Hammond, Ind.:						
1941.....	5,168	12,831	10,919	3.31	25.25	13.10
1942.....	32,117	12,963	10,361	3.14	27.875	11.26
Servel Inc., Evansville, Ind.:						
1941.....	1,291	410	2,737	1.54	5.75	26.78
1942.....	205	459	1,053	.61	10.875	5.6
Savage Arms Corporation, Utica, N. Y.:						
1941.....	11,655	294	3,427	5.11	18.625	27.43
1942.....	12,388	461	1,642	2.45	10.0625	24.34
The Sperry Corporation, Brooklyn, N. Y.:						
1941.....	19,400		8,282	4.11	30.125	13.64
1942.....	23,242		5,778	1.79	27.06	6.5
Philco Corporation, Philadelphia, Pa.:						
1941.....	5,823	1,643	2,514	1.83	10.25	17.85
1942.....	6,400	1,753	2,210	1.61	15.00	10.73
Westinghouse Electric & Manufacturing Co., Springfield, Mass.:						
1941.....	40,571	7,519	23,118	7.21	80.00	9.01
1942.....	49,602	9,943	17,367	5.42	82.225	6.59

¹ After taxes.

² June 30.

³ Dec. 31.

⁴ Fiscal years ending Apr. 30.

⁵ Feb. 26, 1943.

⁶ Fiscal year ending Oct. 31.

Figures show amounts allotted for taxes, depreciation, net income, earnings per share of common stock, market value per share of common stock, and percentage of earnings per \$1 of market value of stock for selected corporations receiving contracts for ordnance from the U. S. Government for 1941 and 1942—Continued

Corporation	Taxes (thousands)	Depreciation (thousands)	Net income (thousands)	Earnings per share of common stock	Market value per share of common stock	Earnings per \$1 of market value (percent)
United States Steel Corporation (including Carnegie-Illinois Steel Co.), New York, N. Y.:						
1941.....	\$191,502	\$86,756	\$149,090	\$10.45	\$54.125	19.30
1942.....	228,001	91,765	107,406	5.35	50.50	10.59
Link-Belt Co., Indianapolis, Ind.:						
1941.....	4,741	510	2,913	3.95	33.00	11.36
1942.....	10,222	923	3,479	4.64	35.50	13.07
Mesta Machine Co., West Homestead, Pa.:						
1941.....	3,665	399	3,608	3.61	29.00	12.44
1942.....	6,354	429	3,626	3.63	27.50	13.2
Diamond T Motor Car Co., Chicago, Ill.:						
1941.....	2,727	136	1,365	3.24	9.00	26.00
1942.....	7,685	266	2,044	4.85	9.00	53.88
Borg-Warner Corporation (including Norge Products and Norge Refrigerator), Chicago, Ill.:						
1941.....	15,464	1,752	7,475	3.20	22.375	14.30
1942.....	18,204	2,516	7,216	3.00	28.00	11.0
Allis-Chalmers Manufacturing Co., La Porte, Ind.:						
1941.....	8,600	1,343	5,744	3.23	29.75	10.91
1942.....	21,400	1,619	5,924	3.34	27.875	11.98
Briggs & Stratton Corporation, Milwaukee, Wis.:						
1941.....	1,500	97	1,155	3.89	27.50	14.14
1942.....	5,370	108	1,784	6.00	33.50	17.91
American Type Founders, Inc., Elizabeth, N. J.:						
1941.....	84	241	301	.53	4.875	10.87
1942.....	395	246	810	1.43	7.225	19.79
Crown Cork & Seal Co., Baltimore, Md.:						
1941.....	2,089	1,592	2,930	4.68	18.00	26.00
1942.....	2,742	1,695	1,459	1.84	19.00	9.68
General Steel Castings Corporation, Eddystone, Pa.:						
1941.....	4,750	1,207	3,266	5.84	76.875	7.59
1942.....	8,492	1,220	2,003	3.07	67.50	4.56
Minneapolis-Honeywell Regulatory Co., Minneapolis, Minn.:						
1941.....	4,302	583	2,737	4.20	37.25	11.27
1942.....	14,833	624	2,868	4.29	59.50	7.21
Mullins Manufacturing Corporation, Warren, Ohio: 9 months ending Sept. 30	1,095	379	692	0.99	2.75	26.00
National Supply Co., Ambridge, Pa.:						
1941.....	5,584	1,966	6,082	3.06	5.75	53.21
1942.....	10,396	2,129	4,108	1.66	6.25	26.55
Revere Copper & Brass, Inc., Chicago, Ill.:						
1941.....	13,100	1,952	4,067	2.64	5.875	44.54
1942.....	12,114	1,804	1,749	0.86	6.875	12.52
Stewart-Warner Corporation, Chicago, Ill.:						
1941.....	4,586	1,388	1,657	1.30	5.75	22.60
1942.....	19,400	2,683	1,590	1.25	7.0625	17.69
United Engineering & Foundry Co., New York City:						
1941.....	4,308	320	3,209	3.66	31.50	12.57
1942.....	8,963	562	3,105	3.71	27.00	13.74
Brunswick-Balke-Collender Co., Chicago, Ill.:						
1941.....	1,350	303	2,027	4.28	13.25	32.30
1942.....	1,018	-----	1,592	3.28	14.00	23.42
Republic Steel Co., Pittsburgh, Pa.:						
1941.....	46,250	13,350	24,038	3.87	18.25	21.20
1942.....	69,250	16,557	17,155	2.67	15.275	17.47
Total.....	2,766,599	769,049	1,577,584	-----	-----	-----

¹ Fiscal year ending Mar. 31.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1944—CONFERENCE REPORT

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, in view of the attitude and statement made by the chairman of the subcommittee regarding the motion which I made to recede and concur in the Senate amendments I desire to withdraw my motion.

The SPEAKER. The gentleman from North Carolina withdraws his motion.

The question is on the motion of the gentleman from Oklahoma.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 161: Page 87, line 11, insert "Gaseous and solid fuel reduction of iron ores (national defense): For necessary expenses without regard to section 3709, Revised Statutes, for pilot-scale tests on the gaseous and solid-fuel reduction of iron ores, including laboratory research and maintenance and operation of pilot plants; procurement of necessary materials and ores; purchase or lease of land or buildings; construction and equipment of buildings; engage-

ment by contract or otherwise, at such rates of compensation as the Secretary of the Interior may determine, of engineers, architects, or firms, or corporations thereof necessary to design and construct the buildings and pilot plants; supplies and equipment; travel expenses; not to exceed \$9,500 for personal services in the District of Columbia; not to exceed \$200 for printing and binding, books of reference and periodicals; purchase not to exceed \$2,775 (including exchange), operation, maintenance, and repair of passenger-carrying automobiles; special wearing apparel and equipment for the protection of employees while employed; purchase in the District of Columbia and elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior", \$400,000: *Provided*, That the Secretary, through the Director of the Bureau of Mines, is authorized to accept lands, buildings, equipment, and other contributions from public or private sources for the purposes hereof, and to carry out projects in cooperation with other agencies, Federal, State, or private."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur.

The SPEAKER. The gentleman from Oklahoma moves that the House recede from its disagreement to the amendment

of the Senate numbered 161 and concur in the same.

The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that the next two amendments may be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma that amendments numbered 162 and 163 be considered en bloc?

There was no objection.

The Clerk read as follows:

Amendment No. 162: Strike out "\$20,000" and insert "\$40,000."

Amendment No. 163: Strike out "\$900,000" and insert "\$1,900,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House insist upon its disagreement to the amendment 163.

Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE. Mr. Speaker, I am very reluctant to take the time of the House at this late hour on this matter but I should like to direct the attention of the conferees particularly to what is involved in the amendment adopted by the Senate. This is one case in which the subcommittee did not grant the estimate of the Budget nor of the Bureau of Mines. The Budget estimate, as I understand it, called for \$1,000,000 for work in the manganese experimental plants of the Bureau of Mines. The House committee allowed \$900,000.

Mr. JOHNSON of Oklahoma. That is correct.

Mr. CASE. The Senate raised that to \$1,900,000; in other words raised it by \$1,000,000.

Mr. JOHNSON of Oklahoma. That also is correct.

Mr. CASE. I understand that the major part of the raise was for operation of the plant of the Bureau of Mines at Chamberlain, S. Dak., and was made upon the recommendation of the Bureau. I recognize that with the lateness of the hour what I might say here is not going to be heard very patiently; so, I am not going to resist the motion that has been made but shall prepare a memorandum on this matter for each of the conferees, ask their careful consideration of it, and ask unanimous consent that I may extend my remarks at this point with that memorandum.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MEMORANDUM ON MANGANESE ITEM

Please keep these facts in mind:

1. Manganese is essential to the making of steel, and is our No. 1 problem in tonnage of wartime imports.

2. The Chamberlain deposit is the largest in the United States, large enough to supply all our demands for hundreds of years to come, if developed.

3. The Bureau of Mines already has a plant there with months of experimentation behind it.

4. That plant will be idle, the proving of large scale production possibilities will stop, unless funds are provided to go ahead.

5. The Bureau recommends going ahead. The importance of manganese is known to everyone. Every ton of steel requires 14 pounds of it. We have passed all kinds of legislation and taken expensive steps to insure a supply—from abroad. I distinctly remember one bill that authorized \$200,000,000 for cargo ships and the principal argument for them was to haul manganese. Ships that took critical material, men, and time. Ships that could be sunk.

The enormous size of the manganese deposit in the bluffs of the Missouri River in the vicinity of Chamberlain is recognized by all authorities. Dr. Dean, assistant director of the Bureau of Mines, at page 721 of the hearings before your subcommittee this year, said:

"In Chamberlain, S. Dak., we have a manganese deposit of such enormous extent that it would supply manganese for an unlimited number of years, but it is a very low-grade deposit."

And at page 779 he said:

"It is very important that we have in a completely worked out and proper shape the processes by which we can use such large deposits as those in Chamberlain, S. Dak., and a large deposit at Artillery Peak, Calif., Batesville, Ark., and so on."

The Bureau of Mines and the Metals Reserve Company have been exploring the field and experimenting in the field for two seasons. Two proposals for operation in the field have been considered—and were under consideration at the time the Budget estimates were prepared. Neither was far enough along for a decision to be reached at that time. Otherwise, I believe, there would have been a Budget estimate for what is now proposed. From a memorandum by Dr. Sayers, director of the Bureau, under date of June 5, I quote:

"An estimate has been made that a commercial plant capable of treating 20,000 tons of shale per day to produce 175 tons of 61-percent manganese sinter and 200 tons of pig iron on a daily basis might produce the manganese sinter for about \$40 per ton. The complete plant of this size would cost from eight and one-half to nine million dollars."

And then he says:

"Before risking an expenditure of this size, it would appear that the next logical step would be the construction and operation of semicommercial plants on a scale that would recover 50 tons of nodules per day from some 1,300 wet long tons of shale and produce about 12 tons of sinter assaying 61 percent manganese, an operation about one-fifteenth that indicated above."

And this is Dr. Sayers' estimate of the cost:

"The cost of construction, equipment, and 12 months' operation using the Bureau of Mines' equipment now stored at Chamberlain as a nucleus, would approximate \$900,000. A credit of about \$200,000 might be derived from sale of products. If this be deducted, a net of \$700,000 would result."

It should be noted, however, that a paragraph in the bill would put proceeds from Bureau sales in the general fund of the Treasury, so that while the net cost might be only \$700,000, the full amount of \$900,000 should be provided here. If the conferees think it wise to reduce the item, however, the project could be divided, as indicated in this final sentence of Dr. Sayers' letter:

"A sum of \$625,000 should be reserved for the mining, milling, calcining, and matte smelting operations in South Dakota, and \$275,000 would be needed at some point where suitable power and other requirements for the matte refining step are available."

At the matte smelting stage we would have a manganese product for which there is a definite demand and what could be done with it is known to everyone in the steel industry. To carry forward this work at Chamberlain to that point is the very least that should be done.

Remember—

1. This deposit alone can supply all our needs when the process proposed is demonstrated on this semicommercial scale.

2. Two years of specific research and an experimental plant representing several hundred thousand dollars will be put on the shelf if funds for continued operation are not provided.

3. The reason why a Budget request was not made on this item is that at the time Budget requests were being prepared, an \$8,000,000 project was under consideration and only lately has it been determined that it would be better to proceed on the smaller scale here proposed.

Knowing that the conferees on the Interior bill believe in the proving and developing of our own resources, and believing that they will see the possibility of eventual enormous savings and contribution to our war effort through continuation of this project, I leave the matter in their hands with confidence.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma to insist on the disagreement of the House to Senate amendments 162 and 163.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 169: Page 91, line 21, insert:

"Magnesium pilot plants and research (national defense): For all necessary expenses, without regard to section 3709 of the Revised Statutes, for the conduct of investigations and development of methods for the recovery of magnesium from domestic raw materials, including naturally occurring brines, salt deposits, dolomite, magnesite, and brucite, by hydrometallurgy, direct reduction, and electrolytic methods, including laboratory research; maintenance and operation of pilot plants; procurement of necessary materials and ores for metallurgical tests; purchase or lease of land; construction and equipment of buildings to house pilot plants, including employment by contract or otherwise at such rates of compensation as the Secretary of the Interior may determine of engineers, architects, or firms or corporations thereof necessary to design and construct the buildings and pilot plants; supplies and equipment; travel expenses; not to exceed \$8,000 for personal services in the District of Columbia; not to exceed \$750 for printing and binding; purchase in the District of Columbia and elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior"; books of reference and periodicals; special wearing apparel and equipment for protection of employees while employed; and the operation, maintenance, and repair of three passenger-carrying automobiles; \$525,000: *Provided*, That the Secretary of the Interior, through the Director of the Bureau of Mines, is authorized to accept buildings, equipment, and other contributions from public or private sources for the purposes hereof, and to operate said plants in cooperation with other agencies, Federal, State or private."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate numbered 169 and agree to the same with an amendment as follows: In line 24 of said amendment strike out "\$525,000" and insert "\$225,000."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 172: Page 93, line 23, insert: "Drainage tunnel, Leadville, Colo. (national defense): For all expenses necessary, without regard to section 3709 of the Revised Statutes, to construct, operate, and maintain, independently or in cooperation with public or private agencies, a drainage tunnel, including lateral tunnels, to drain mining land in the Leadville, Colo., mining district, including the acquisition by purchase, condemnation, or donation of lands rights-of-way, or other interests in lands, or other property; the engagement by contract or otherwise at such rates of compensation as the Secretary of the Interior may determine, of individuals, firms, or corporations, necessary to design and construct the tunnel; purchase, not to

exceed \$2,700, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles, which may be used for transporting employees from their homes to temporary locations of employment; purchase of special wearing apparel or equipment for the protection of employees while engaged in their work; not to exceed \$13,000 for personal services in the District of Columbia; and other items of expenditure otherwise properly chargeable to the appropriation 'Contingent expenses, Department of the Interior'; \$1,500,000, to remain available until expended."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 172 and agree to the same with an amendment as follows: In line 21 of said amendment, strike out "\$1,500,000" and insert "\$1,400,000."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I yield such time as he may desire to the gentleman from Colorado [Mr. ROCKWELL].

Mr. ROCKWELL. Mr. Speaker, in order that the Members of this body may know the purpose of this appropriation of funds for this tunnel to underwater mines at Leadville, Colo., I wish to make a brief statement.

In March of this year, the Director of the Zinc Division of the War Production Board met with the two Colorado Senators and me, to discuss the problem of making available more zinc for war purposes.

It seems that our zinc smelting facilities are adequate to take care of military and essential civilian requirements, but to keep these smelters operating to capacity, it now is necessary to import two-fifths of our total zinc concentrates. In 1944, about one-half of our requirements would have to be met by imports. The zinc ore reserves upon which this country has been depending are very low and in many districts are running out at the present rate of use. New supplies must be found therefore, that will start producing within the space of a year and a half.

The Leadville district, in the past, was one of the best producers of lead and zinc in the United States. Operations were stopped there in 1930, because of the cost of pumping excessive water and the low prices for metals. This tunnel will drain out the water and make accessible potential ore resources that remain to be mined.

From 1860 to 1935—according to U. S. Bureau of Mines statistical reports—there have been mined over 20,000,000 tons of ore including the following amounts of the strategic ores:

Zinc, 694,160 tons, valued at \$94,900,-871.

Lead, 1,011,505 tons, valued at \$92,001,-866.

Copper, 48,967 tons, valued at \$14,-560,187.

Manganese, 936,024 tons, valued at \$4,-103,952.

Since the Leadville area is so highly mineralized, it is estimated that the drainage afforded by the tunnel will open up 720,000 tons of recoverable zinc

ore, which runs 16-percent zinc. At the present time, a very large part of our zinc comes from Canada, Australia, Mexico, South America, and Africa, and therefore, the opening up of domestic mines will help to relieve the shipping problem and remove our dependence upon the dwindling supplies of these countries.

The project has been carefully gone over by the Board of Economic Warfare, the Mining Division of the War Production Board, and by the Bureau of Mines.

The tunnel is to be 2½ miles long with laterals of a total of a little over a mile in length branching from the main shaft. The tunnel will be drilled through solid rock which will make the cost of upkeep very small.

An attempt to get Reconstruction Finance funds was made, but this method of financing would not be possible in sufficient time for the mines to get into production and be of any help in our war effort. Titles are held by hundreds of persons, and there are many conflicting and contested claims. The R. F. C. would not make a loan until a great amount of work clearing such titles had been done, and the legal proceedings necessary would take many months. Any such difficulty is removed by making a direct appropriation, which is the only feasible way of getting this vital metal into the factories.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move the previous question on the pending motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 173: Page 96, line 4, insert "The Bureau of Mines is hereby authorized to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated from funds appropriated to the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 173 and agree to the same with an amendment as follows: In line 1 of said amendment, after the word "authorize", add the following: ", during the fiscal year 1944."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 174: Page 96, line 10, strike out "\$8,640,225" and insert "\$18,742,600."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House further insist on its disagreement to the amendment. This is the total for the Bureau of Mines.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 184: Page 106, line 9, strike out "\$90,000" and insert "\$115,000, including

not to exceed \$11,300 for the purchase of the land, buildings, and other privately owned property at the United States Rabbit Experiment Station at Fontana, Calif."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in Senate amendment numbered 184.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 190: Page 109, line 1, strike out "\$4,147,350" and insert "\$4,873,205."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 190, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "\$4,456,-390."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 192: Page 109, line 18, strike out "\$4,897,350" and insert "\$6,123,205."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that the House recede from its disagreement to the amendment of the Senate No. 192, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "\$5,456,-390."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 194: Page 110, line 7, after the word "outfits" insert "plans and specifications for vessels, or for contract personal services for the preparation thereof."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 200: Page 118, line 17, insert the following: "Sec. 9. The appropriations and authority with respect to appropriations contained herein shall be available from and including July 1, 1943, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between June 30, 1943, and the date of enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 201: Page 119, line 1, strike out "8" and insert "10."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions in connection with the conference report was laid on the table.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendments which are still in disagreement and request a conference with the Senate.

The motion was agreed to.

The SPEAKER appointed the following conferees: Messrs. JOHNSON of Oklahoma, FITZPATRICK, KIRWAN, NORRELL, CARTER, JONES, and JENSEN.

LEAVE OF ABSENCE

By unanimous consent, Mr. KENNEDY was granted leave of absence, for 1 day, on account of attending a funeral.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter written to Mr. Davies from the Oil Controller of Canada regarding oil and gasoline rationing there. They have a very much better system than we have.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein excerpts from a letter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some speeches.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a cablegram.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KILDAY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. THOMAS] be permitted to revise and extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. KLEIN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2349. An act to adjust the pay status of warrant officers temporarily commissioned in the Army of the United States;

H. R. 2943. An act to provide for the disposal of certain records of the United States Government;

H. R. 3026. An act relating to appointments to the United States Military Academy and the United States Naval Academy in the case of redistricting of congressional districts; and

H. J. Res. 139. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1109. An act to increase by \$300,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended, and for other purposes.

ADJOURNMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Saturday, July 3, 1943, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands at 10:30 a. m., Saturday, July 3, 1943, for the purpose of considering H. R. 2596, to protect naval petroleum reserve No. 1, and such other matters as may properly come before the committee.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

532. A letter from the Chairman, United States Tariff Commission, transmitting a copy of the estimates of and justification for personnel requirements of the Tariff Commission for the fiscal quarter ending September 30, 1943; to the Committee on the Civil Service.

533. A letter from the Attorney General, transmitting a report stating all of the facts and pertinent provisions of law in the cases of 163 individuals whose deportation has been suspended for more than 6 months under the authority vested in him, together with a statement of the reason for such suspension, pursuant to the provisions of section 19 (c) of the Immigration Act of 1917, as amended by the acts of June 28, 1940, and December 8, 1942, and referring to his letter to the Congress dated January 7, 1942 (H. Doc. No. 541), reporting similar cases; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLAND: Committee on the Merchant Marine and Fisheries. S. 1242. An act to authorize appropriations for salaries and expenses, Office of Fishery Coordination; without amendment (Rept. No. 642). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 2801. A bill to provide for the appointment of an additional Assistant Secretary of the Interior; with amendment (Rept. No. 644). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on the Public Lands. S. 378. An act to provide for the addition of certain land in the State of Arizona to the Montezuma Castle National Monument; without amendment (Rept. No. 645). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLIE:

H. R. 3103. A bill to authorize a preliminary examination and survey of the Maumee River and tributaries, Indiana and Ohio, for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. MAAS:

H. R. 3104. A bill to further amend the Pay Readjustment Act of 1942; to the Committee on Military Affairs.

By Mr. PHILBIN:

H. R. 3105. A bill providing for rebates of motor vehicle use stamp tax; to the Committee on Ways and Means.

By Mr. WHELCHER of Georgia:

H. R. 3106. A bill to restore former basis of compensation and allowances of postmasters and postal employees, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. ANGELL:

H. R. 3107. A bill to amend the Reconstruction Finance Corporation Act, as amended; to the Committee on Banking and Currency.

H. R. 3108. A bill to continue the pay of all persons serving in the armed forces of the United States for 1 year after the termination of the present conflict; to the Committee on Military Affairs.

By Mr. HOLMES of Massachusetts:

H. R. 3109. A bill to amend the Communications Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BUSBEY:

H. R. 3110. A bill to provide for the return of unabsorbed premiums for war damage insurance, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEE:

H. J. Res. 146. Joint resolution authorizing the making without avoidable delay of agreements between the United States and the several United Nations to secure and maintain law, order, and peace among the nations of the world; to the Committee on Foreign Affairs.

By Mr. SABATH:

H. J. Res. 148. Joint resolution to permit the diversion of waters from Lake Michigan to safeguard the public health; to the Committee on Rivers and Harbors.

By Mr. BOREN:

H. Res. 284. Resolution authorizing the expenses of conducting the investigation authorized by House Resolution 98, Seventy-eighth Congress; to the Committee on Accounts.

By Mr. WHITE:

H. Res. 285. Resolution to authorize the appropriation of \$5,000 for the investigation to be undertaken under the provisions of House Resolution 262; to the Committee on Accounts.

By Mr. DIES:

H. Res. 286. Resolution to establish an inter-Government committee; to the Committee on Rules.

By Mr. KLEIN:

H. Res. 287. Resolution establishing a select committee to investigate the causes of and forces behind the recent race riots; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 3111. A bill for the relief of William D. Ellison; to the Committee on Military Affairs.

By Mr. DIMOND:

H. R. 3112. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim, or claims, of Werner A. S. Ohls, of Anchorage, Alaska; to the Committee on Claims.

H. R. 3113. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Gust Haller, of Palmer, Alaska; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 3114. A bill for the relief of Ruth Coe; to the Committee on Claims.

By Mr. KEFAUVER:

H. R. 3115. A bill granting a pension to Mrs. Julia Hinton; to the Committee on Invalid Pensions.

By Mr. O'CONNOR:

H. R. 3116. A bill for the relief of Emmett Shaw; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1837. By Mr. HAGEN: Petition of Anna Craik, Thief River Falls, Minn., and 25 other signers from that community, urging enactment of House bill 2082, providing for the stoppage of the manufacture and sale of alcoholic beverages for the duration of the war, in order to remove one of the chief causes of absenteeism, to conserve shipping space, and to prevent the waste of untold amounts of money and huge quantities of food, coal, iron, rubber, and gasoline; to the Committee on the Judiciary.

1838. By Mr. KENNEDY: Petition of the Sons of the Revolution concerning the use of our flag; to the Committee on the Judiciary.

1839. By Mr. LUTHER A. JOHNSON: Petition of Murry Leach, vice president and general manager of Loose-Wiles Biscuit Co., Dallas, Tex., opposing House bill 2100; to the Committee on Patents.

1840. By Mr. ANGELL: Petition of the students at Michigan State Normal College and friends or members of the Alpha Chapter of the International Council for Exceptional Children, asking for the enactment of House bill 496; to the Committee on Education.

1841. By Mr. LANE: Resolution of Mayor W. A. Bennett and City Council of Worcester, Mass., concerning a more equitable distribution of gasoline and fuel oil; to the Committee on Interstate and Foreign Commerce.

1842. By Mr. MOTT: Petition signed by H. J. Hart, of Tillamook, Oreg., and 34 other citizens of the State of Oregon, urging the enactment of House bill 2082; to the Committee on the Judiciary.

SENATE

SATURDAY, JULY 3, 1943

(Legislative day of Monday, May 24, 1943)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of our fathers, to whose kingdom of justice and love the future belongs, it is Thy might which hath made and preserved us a nation. Standing this day on the threshold of an immortal date which has engraved itself forever on the fast-hurrying years and whose scarlet threads are woven into the grateful memory of every true patriot of the Republic, we lift our joyful praise for the American dream—the dream of a land where the people rule, of a state which is the instrument of the common good, of a union which finds room for the richness of diversity.

In this solemn hour of the supreme test of America's faith, when determined foes deny, defy, and would defile the very conceptions and aspirations which to us, nurtured in liberty, make life precious and sacred, may this Nation under God have a new birth of freedom. If the way to victory is long and difficult and at crimson cost, still keep our wills steadfast and our faith strong as was the faith of our fathers when they built this Nation of our love and prayer. May our flag, born in the tragedy of strife, be an inspiring symbol to all the world that out of today's death and night shall rise the dawn of an ampler life for all mankind. May we bear our full part in freedom's crowning hour that we may tell our sons and daughters who will live in the light of the new day, "I saw the power of darkness put to flight. I saw the morning break!" We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the calendar day Friday, July 2, 1943, was dispensed with, and the Journal was approved.

MEETING OF EMPIRE PARLIAMENTARY ASSOCIATION AT OTTAWA, CANADA

Mr. AUSTIN. Mr. President, the Members of the Senate who were appointed under authority of Senate Concurrent Resolution 14, adopted by the Senate on June 18, 1943, excepting one Member who was unable to leave Washington because of his official duties here, attended the meeting of the Empire Parliamentary Association, Dominion of Canada Branch, during the period June 26 to June 30, as guests of that association. All of the Members of the House of Representatives who were appointed under this resolution, which was adopted by the House of Representatives on June 22, also attended that meeting.

Delegations from the United Kingdom Parliament and from the legislative bodies of Australia, New Zealand, and Bermuda also participated.

The subject of study and informal discussion was the qualification and capacity of democracies to win the war and to attain peace that will prevail throughout the world.

The discussions were marked by eagerness for information, candor of expression, and friendly understanding.

No obligations were sought or undertaken, but consequences of high value in mutual understanding were realized.

The hospitality for which Canadians are famous was greatly appreciated by all their guests.

The Prime Minister of Canada, the Right Honorable W. L. Mackenzie King, in the House of Commons debates of Tuesday, June 29, 1943—volume LXXXI, No. 99, page 4217—referred to that conference.

I ask unanimous consent to have inserted in the RECORD, at the conclusion of my remarks, a copy of that House of Commons Record, pages 4217 and 4218, containing the remarks of the Prime Minister of Canada and those of the leader of the opposition, Mr. Gordon Graydon, as well as those of the member from Rosetown-Biggar, Mr. M. J. Coldwell, who, by the way, called on us afterward here in Washington, and the member from Lethbridge, Mr. J. H. Blackmore.

I concur in the opinion of the Prime Minister of Canada that "the resolution itself will in time become an historic document," and I believe that this first meeting of Members of the Congress of the United States with members of the Empire Parliamentary Association is the beginning of a relationship among those bodies—which are closest to the people of the democracies—having endless possibilities of understanding and achievement.

On our return to Washington the Congress was honored by a visit from the following members of the Empire Parliamentary Association on June 30 and July 1:

The Right Honorable Viscount Stansgate, P. C., D. S. O., D. F. C., leader of United Kingdom delegation—William Wedgwood Benn; Sir John Wardlaw-Milne, K. B. E., M. P., deputy leader of the United Kingdom delegation; the Right Honorable Sir Percy Harris, Bt., M. P.; Sir Howard d'Egville, K. B. E., LL. D., editor of the publications of the Empire Parliamentary Association and secretary of the United Kingdom branch of the association, representing the United Kingdom.

The Honorable Thomas Vien, K. C., Speaker of the Senate of Canada; Mr. John G. Diefenbaker, K. C., M. P.; Mr. M. J. Coldwell, M. P.; Mr. Lionel Chevier, K. C., M. P.; all of the Dominion of Canada branch.

David Oliver Watkins, M. P., leader of the Australian delegation.

Leonard George Lowry, M. P., leader of the New Zealand delegation.